

# ANNUAL REPORT 2023



**WorkSafeNB**  
ANNUAL REPORT 2023

June 2024

WorkSafeNB respectfully acknowledges the territory in which we work as the ancestral homelands of the Wolastoqey, Mi'gmaq, and Peskotomuhkati peoples.

We strive for respectful relationships with all the peoples of this province as we search for collective healing and true reconciliation and honour this beautiful land together.

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## FOCUS AREAS



### PEOPLE 20



### PREVENTION 48



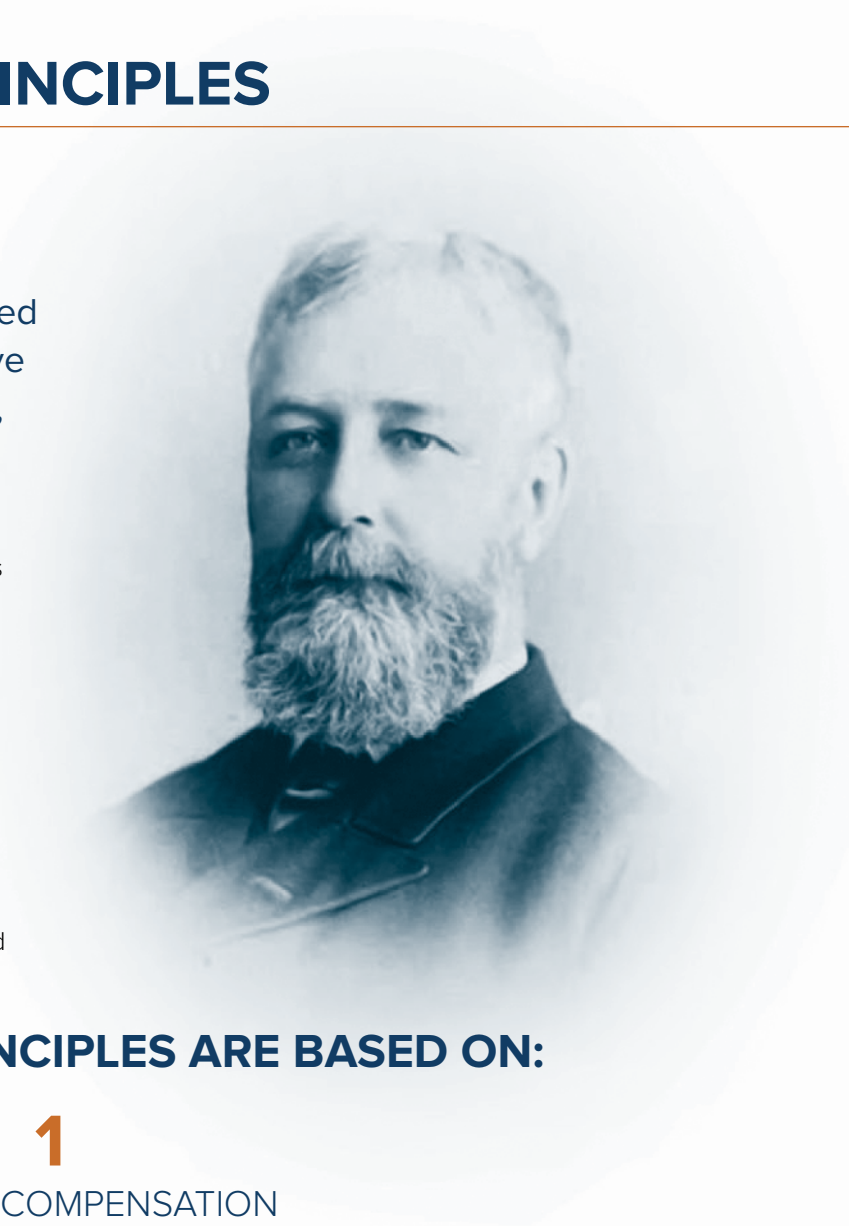
### INTEGRITY 72

# OUR FOUNDING PRINCIPLES

In 1918, New Brunswick's workers' compensation system was established based upon principles developed five years earlier by Sir William Meredith, a former Chief Justice of Ontario.

The development of the Meredith Principles achieved a historic compromise in which employers fund the workers' compensation system and collectively share liability if, and when, workers are injured. In return, injured workers receive wage-loss compensation and medical benefits while they recover from a workplace injury. In accepting workers' compensation benefits, injured workers cannot sue their employers.

The Meredith Principles became the basis for workers' compensation systems across Canada and remain so today.



## THE MEREDITH PRINCIPLES ARE BASED ON:

1

NO-FAULT COMPENSATION

2

SECURITY OF BENEFITS

3

COLLECTIVE LIABILITY

4

INDEPENDENT ADMINISTRATION

5

EXCLUSIVE JURISDICTION

# WHO WE ARE

---

WorkSafeNB is a Crown corporation committed to promoting healthy and safe workplaces in New Brunswick. While our primary objective is to prevent workplace injuries and occupational disease, we provide comprehensive rehabilitation services and wage-loss replacement when these do occur.

WorkSafeNB is the regulatory body responsible for ensuring compliance with New Brunswick's *Occupational Health and Safety Act*. We are also accountable to our stakeholders for fair administration of the *Workers' Compensation Act*, the *Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act* and the *Firefighters' Compensation Act*.



## OUR VISION

Making New Brunswick  
the safest place to work.

## OUR MISSION

Collaborate with all stakeholders to  
design, build and manage an effective  
continuum of safety and care.

# FOCUS AREAS



## PEOPLE

We will create a people-first culture resulting in an exceptional employee and client experience.

### AN EXCEPTIONAL EXPERIENCE

Keeping New Brunswick workers healthy and safe is more than a job – it's a passion! We are workers too, as are our daughters and sons, brothers and sisters, parents and children, and friends and colleagues. Together, we provide exceptional service and support, building a strong support network of safety and care for all.



## PREVENTION

Together, we will prevent workplace injuries, illnesses, death and disability.

### A PROVINCE WITHOUT WORKPLACE INJURY AND DISABILITY

Traditionally, when we think about prevention, we think of injuries and illnesses. WorkSafeNB, however, is changing this mindset. We also define it as helping injured workers recover at work when possible, keeping them involved and productive to help prevent disability.



## INTEGRITY

We will protect the integrity of the system.

### OUR GUIDING PRINCIPLE

As a trusted steward, we are dedicated to building a strong, stable and sustainable system. While financial sustainability is a key component, system integrity also includes good governance, privacy protection, modern technology, cybersecurity and sound legislative foundations.

# WHO WE SERVE



**15,641\***  
REGISTERED  
EMPLOYERS

**30,031\***  
WORKPLACES

**369,635\***  
WORKERS  
(FULL-TIME EQUIVALENTS)

\* AS AT DEC. 31, 2023

## THREE LARGEST SECTORS

(BY PAYROLL)



RETAIL TRADE



CONSTRUCTION



HEALTH CARE &  
SOCIAL ASSISTANCE  
(DOES NOT INCLUDE SELF-INSURED)

## ASSESSED EMPLOYERS BY SIZE

(FULL-TIME EQUIVALENT)

**SMALL**  
(<12 FTE)

**11,561**

**MEDIUM**  
(12-55 FTE)

**3,214**

**LARGE**  
(55+ FTE)

**955**

# BOARD OF DIRECTORS

WorkSafeNB's board of directors is appointed by the Lieutenant-Governor in Council to represent our stakeholders' interests. They are responsible for WorkSafeNB's stewardship and strategic direction. As a Crown corporation, the board is accountable to the Government of New Brunswick through the Minister of Post-Secondary Education, Training and Labour.

Our board consists of a chairperson and a vice-chairperson, neither of whom are representative of either workers or employers, as well as four members representing workers and four members representing employers. These members agree to act in the best interest of WorkSafeNB at all times, regardless of the stakeholders they represent. The president and CEO is an ex-officio non-voting member of the board of directors.



**MEL NORTON**  
Chairperson



**HALEY FLARO**  
Vice-Chairperson



**DONNA MCNEILL**  
Worker representative  
Fredericton



**MIKE MACMULLIN**  
Worker representative  
Saint John



**TIM PETERSEN**  
President and chief  
executive officer



**DENNY VAUTOUR**  
Worker representative  
Saint John



**BERT CYR**  
Employer representative  
Moncton



**ADAM DONNELLY**  
Employer representative  
Bathurst  
Appointed on April 6th, 2023



**GAËTAN GUÉRETTE**  
Employer representative  
Edmundston



**JAMES STANLEY**  
Worker representative  
Saint John



**JASON GREEN**  
Employer representative  
Quispamsis  
Appointed on October 19th, 2023

The board meets regularly and each member serves on one or more of the following committees:

- Audit
- Fatality Review
- Finance & Investment
- Governance
- HR & Compensation



# EXECUTIVE LEADERSHIP TEAM

WorkSafeNB’s executive leadership team (ELT) is responsible for implementing our board of directors’ strategies and for managing our day-to-day operations.

While each ELT member has the critical skills, training and education to lead, more importantly, they each have the qualities of great leadership that can’t be taught – like empathy, accountability and trustworthiness. They motivate and inspire by setting the right example, guided by these qualities. The ELT upholds our vision, sets a clear and actionable strategy for achieving that vision, and motivates and empowers all other employees at WorkSafeNB. We are proud of our ELT and trust in its ability to realize our strategic plan through measurement and oversight to make critical, and often hard, decisions for the betterment of both WorkSafeNB and our stakeholders.



**TIM PETERSEN**  
President and CEO



**RICHARD BLAIS**  
Vice-President,  
Prevention



**DAVID LUTHER**  
General Counsel  
and Corporate Secretary



**CATHY BENT**  
Vice President, Claims  
Management and Rehabilitation



**PERRY CHEEKS**  
Chief Financial Officer  
(Retired March 2023)



**JOSÉE PELLETIER\***  
Executive Director,  
Human Resources



**LARAGH DOOLEY\*\***  
Executive Director,  
Corporate Communications  
and Business Transformation



**LISA WALKER**  
Chief Information Officer



**CAROLYN MacDONALD**  
Executive Director,  
Strategic Planning, Policy  
and Risk

\* Resigned August 2023  
\*\* Human Resources August 2023

# KEY STRATEGIC MEASURES



## PEOPLE

	2021	2022	2023	2024 TARGET
<b>Employee engagement</b>	53%	61%	<b>63%</b>	70%
<b>Client satisfaction</b>				
Injured Workers	n/a	69.3%	<b>70.6%</b>	80%
Employers	n/a	76.3%	<b>74.4%</b>	80%



## PREVENTION

	2021	2022	2023	2024 TARGET
<b>Health and safety index</b>	(4.9%)	3.7%	<b>11.1%</b>	POSITIVE RATE OF CHANGE
<b>% of workers off claim</b>				
At 90 days	66.2%	69.1%	<b>66.6%</b>	80%
At 180 days	81.3%	82.7%	<b>80.4%</b>	87.5%



## INTEGRITY

	2021	2022	2023	2024 TARGET
<b>Funding position</b>	147.5%	147.7%	<b>156.1%</b>	115-125%

# YEAR AT A GLANCE

	2021	2022	2023	
FINANCIAL	Funded ratio	147.5%	147.7%	<b>156.1%</b>
	Funded position	\$640M	\$618M	<b>\$738M</b>
	Excess income over expenses	\$310M	(\$22M)	<b>\$117M</b>
	Benefit payments	\$130M	\$136M	<b>\$134M</b>
	Valuation gains	(\$57M)	(\$47M)	<b>\$17M</b>
	Claim costs	\$73M	\$89M	<b>\$151M</b>
	Benefit liabilities	\$1.3B	\$1.3B	<b>\$1.3B</b>
	Assessment rate	\$2.17	\$1.69	<b>\$1.31</b>
	Assessment revenue	\$233M	\$207M	<b>\$181M</b>
	Investment returns	13.1%	(3.8%)	<b>8.9%</b>
	Investment income	\$215M	(\$75M)	<b>\$159M</b>
	Administration costs	\$57.1M	\$59.9M	<b>\$69.3M</b>

PREVENTION AND CLAIMS	Lost-time injuries - assessed employers	1.0	0.9	<b>0.8</b>
	Lost-time injuries - self-insured employers	2.7	2.9	<b>2.3</b>
	Lost-time injuries - all employers	1.2	1.1	<b>1.0</b>
	Lost-time and no lost-time injury frequency	1.8	1.7	<b>1.6</b>
	Lost-time claims	4,273	4,229	<b>3,864</b>
	No lost-time claims	2,009	1,720	<b>1,971</b>
	Percentage of claims accepted	94.9%	95.4%	<b>95.3%</b>
	Traumatic psychological injury claims accepted	137	185	<b>227</b>
	Fatalities	14	16	<b>14</b>
	Open claim duration	330.5	294.6	<b>284.8</b>
	Closed claim duration	91.0	91.9	<b>94.5</b>
	Off claim at 90 days	66.2%	69.1%	<b>66.6%</b>
	Off claim at 180 days	81.3%	82.7%	<b>80.4%</b>
	Claim registration to 1st payment	32	22	<b>29</b>
	Injury to claim registration	17	18	<b>17</b>
	Injured worker satisfaction	n/a	69.3%	<b>70.6%</b>
	Employer satisfaction	n/a	76.3%	<b>74.4%</b>
	Employee engagement	53%	61%	<b>63.0%</b>
	DRO reviews	778	1195	<b>979</b>
	Health and safety index	(4.9%)	3.7%	<b>11.1%</b>
	Admin penalties issued	24 – \$10,950	60 – \$31,250	<b>55 – \$29,400</b>
	Consultations	1,265	1,540	<b>1,445</b>
	Investigations	857	914	<b>813</b>
	Prosecutions	8 – \$153,000	10 – \$225,650	<b>13 – \$172,800</b>
	Inspections	6,011	5,124	<b>3,787</b>
	Orders issued	3,656	3,718	<b>2,387</b>
	Violence and harassment orders	80	60	<b>61</b>

Data is finalized as of March 31, 2024. As data matures, previous years' numbers may be restated to reflect final numbers.

# MESSAGE FROM THE CHAIRPERSON



**Reflecting on 2023, I am so proud of New Brunswick's workers and employers. Your unwavering dedication and commitment have played a pivotal role in continued success in lowering workplace incident and injury frequency.**

Through your collective efforts, we've not only maintained high safety standards but also fostered a culture of vigilance and care in our workplaces. I'm equally proud of WorkSafeNB's staff, under the skilled guidance of Tim Petersen, president and CEO, and the executive leadership team (ELT), for their remarkable work over the past year. They've made significant strides on our modernization journey. Their tireless efforts have propelled us forward, marking substantial progress toward our goals.

Change Leadership Training, the Decision Review Office (DRO) Service Delivery Model, Early Intervention and Early Return-to-Work, and Data Strategy Roadmap are but a few of the completed projects already showing encouraging results. Three programs are underway under the Modernization portfolio: Caring for our People, Claims Service Delivery Model and Technology Foundations.

Our Modernization programs and projects stand as a testament to our commitment to innovation and efficiency, positioning us for even greater success in the years ahead.

With the success of our Care Closer to Home initiative, we bid a nostalgic goodbye to an era with the sale of the Workers' Rehabilitation Centre (WRC). The WRC served as a beacon of hope and healing for thousands of injured workers, thanks to the dedication of WorkSafeNB's exceptional staff. To all who served there with compassion and dedication, on behalf of the board I extend our heartfelt gratitude for your invaluable contributions, not only to our clients but to the Grand Bay-Westfield community.

# MESSAGE FROM THE CHAIRPERSON

**As we embrace change, we also welcome new beginnings. I extend my deepest appreciation to our departing board members Tina Soucy and Lucien Sonier for their exemplary service and invaluable insights. Their dedication has left an indelible mark on our organization, and we appreciate their contributions.**

**I also extend a warm welcome to our new appointees Adam Donnelly and Jason Green, whose expertise and fresh perspectives will undoubtedly enrich our board.**

Finally, I'd like to acknowledge the ongoing collaboration with the government, particularly for their support with benefit improvements. Your support and partnership have been instrumental in our efforts, and we look forward to continued collaboration with government.

As we move forward, let us remain steadfast in our commitment to excellence, innovation, and collaboration. Together, we will continue to chart a course toward a brighter and safer future, making New Brunswick the safest place to work.

Sincerely,



**MEL NORTON**  
Chairperson, Board of Directors



# MESSAGE FROM THE PRESIDENT AND CEO



**As we reflect on the past year at WorkSafeNB, I am incredibly proud to share with you our annual report, which highlights not only our financial achievements but also the heartbeat of our organization: our people and culture.**

It's been a year of significant growth and transformation, and I am honoured to lead such a dedicated team.

Most noteworthy is that New Brunswick achieved not only the lowest injury frequency in our history but the lowest injury frequency in Canada. This is remarkable and something that every worker, employer and WorkSafeNB employee should be proud of. That more New Brunswickers are returning home safely at the end of each day is cause to celebrate and is testament that our vision of making New Brunswick the safest place to work is clearly in our sights.

**Our journey toward enhancing employee engagement has yielded exciting results. Through various initiatives and programs, we continue to experience positive momentum, and by prioritizing the well-being and development of our workforce, we are not only cultivating a positive workplace culture but also driving improved outcomes for you, our stakeholders.**

At WorkSafeNB, we firmly believe that our success is driven by the dedication, talent, and passion of every member of our team. Our culture is not just a set of values hanging on the wall; it's the essence of who we are and how we operate every day. It's in the way we collaborate, support each other, and strive for excellence in everything we do.

Our 2023 engagement and culture survey results tell us we are on the path to making WorkSafeNB the greatest place to work. Overall, engagement has increased by 2% over 2022, and an impressive 10% over 2021 – from 53% to 63%. Our culture measure

# MESSAGE FROM THE PRESIDENT AND CEO

improved from 24% to 55% in just over one year and leads the industry benchmark by 16%.

Above all else, our team continues to demonstrate remarkable resilience, adaptability, and unity. Whether it was transitioning to remote work, finding innovative solutions to serve our clients, or supporting one another through challenging times, our collective strength shone brighter than ever before.

One of the most rewarding aspects of leading WorkSafeNB is witnessing the diverse tapestry of talents, perspectives, and backgrounds that our team brings to the table. It's this diversity that fuels our creativity, drives innovation, and fosters a culture of inclusion where everyone feels valued, respected, and empowered to contribute their best.

Investing in learning and development for our employees has been paramount to our success. By providing opportunities for growth and skill enhancement, we are equipping our workforce with the tools and knowledge they need to excel in their roles and contribute meaningfully to our organizational objectives and excellence in service delivery.

Our commitment to strengthening stakeholder relations remains resolute. From peer support initiatives for firefighters to continued collaboration with the fishing industry, we are dedicated to, as part of our modernization journey, fostering meaningful partnerships that enhance workplace safety and well-being. These partnerships are critical in the pursuit of our vision of making New Brunswick the safest place to work.

The launch of several core system projects, as part of our modernization journey, is a significant milestone in our technology transformation and will lead to a significantly enhanced client experience. By leveraging technology and streamlining processes, we are enhancing efficiency and effectiveness in service delivery, benefiting both the workers and employers of the province.

We are proud to announce, for the fifth consecutive year, a reduced average assessment rate for employers. At \$1.18, New Brunswick now has the second lowest rate in the country. This is a testament to our continued financial stability and prudent management practices. This achievement underscores our commitment to maintaining a competitive advantage for New Brunswick employers while providing meaningful benefits to workers.

In 2023, we aggressively pursued benefit improvements for injured workers, including an increase in loss of earnings benefits and adjustments to maximum annual earnings.

**Looking ahead, we remain focused on modernization and innovation, as we strive to meet the evolving needs of our stakeholders and uphold our vision of making New Brunswick the safest place to work. With your continued support, I am confident that we can build on our successes and achieve even greater milestones in the coming years.**

Thank you for your partnership, support and commitment to workplace health and safety.

Sincerely,



**TIM PETERSEN, CPA, CA**  
President and Chief Executive Officer

# LINKED TOGETHER FOR OUR FUTURE

In 2022, we were proud to launch our **2022-2024 Strategic Plan – *Linked Together for our Future.***

This plan is a testament to our commitment to good governance practices and our unwavering focus on People, Prevention, and Integrity.

**This Annual Report remains rooted in our three focus areas, showcasing our advancements during the second year of our three-year plan. As we continue this journey, we eagerly anticipate further collaboration with our diverse stakeholders, both internal and external.**

Every three to five years, the organization takes a step back to assess its progress and chart a course for the future. The board of directors, bound by good governance practices, sets the strategic direction. Then, employees from every level of the organization determine how to translate this broad strategic direction into concrete objectives and actions that will guide our work for the next three years.

The 2022-2024 Strategic Plan – Linked Together for our Future provides clarity and purpose to our daily work, bringing our future into the present. Our theme, “Linked,” speaks to the realization that we must be internally aligned and collaborating among our various teams and divisions, as well as with external partners, to attain our vision of making New Brunswick the safest place to work.

This plan sets ambitious and meaningful goals and objectives, and clearly defines our three areas of focus: People, Prevention, and Integrity. By focusing on these three areas, we are confident that we can achieve our vision and make a real difference in the lives of New Brunswick’s workers and employers. This Annual Report is connected to these three focus areas and will demonstrate how we brought them to life in this second year of the plan.

We are excited to continue this journey and look forward to working together with our internal and external partners to make New Brunswick the safest place to work.

**PEOPLE.  
PREVENTION.  
INTEGRITY.**



# OUR MODERNIZATION JOURNEY

## MODERNIZATION

In a world where service expectations and technology are constantly evolving, over our 100-year history, WorkSafeNB has also needed to transform our services to meet the needs of our clients and our team members. We've seen legislation supporting workers evolve, the nature of injuries shift, and health and safety requirements strengthen in almost every industry. We are no strangers to change.

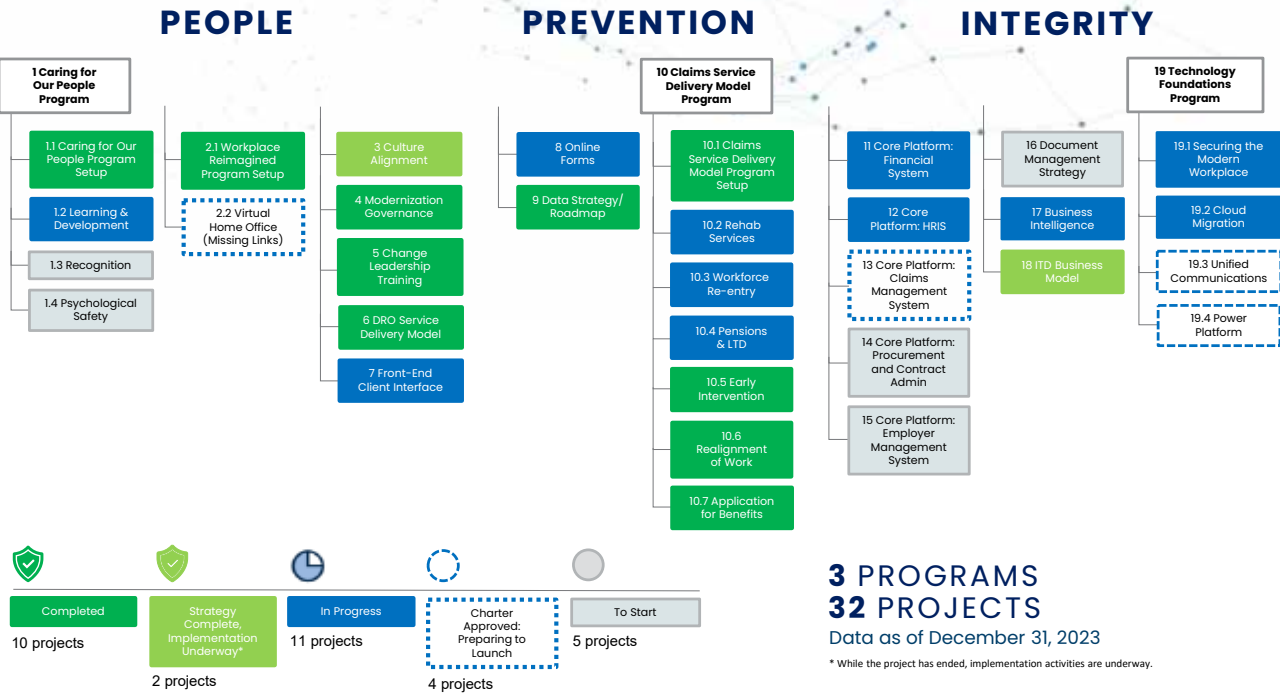
However, the COVID-19 pandemic accelerated this change revealing new possibilities, like remote work and innovative service models, and we began our modernization journey in earnest. Our commitment to modernization isn't just about keeping up; it's about laying down a sturdy foundation for WorkSafeNB's future – one that makes us an employer of choice, speeds up claims processing for workers, and empowers employers to prevent injuries through data-driven insights and self-service options.

With our board's go-ahead in spring 2022, we dove headfirst into our modernization roadmap. Already, we're seeing results, not only delivering value to our clients with new offerings such as the Care

**Our five-year modernization roadmap, perfectly aligned with our strategic plan and anchored in our focus areas of People, Prevention, and Integrity, has fuelled our momentum.**

Closer to Home rehabilitation model, but also reaffirming our commitment to putting our people first and creating a workplace where every team member can thrive. 2023 was a year of action, with 20 out of 32 planned modernization projects gaining traction. Among these, we successfully completed five, continued to progress on another five, and initiated a further 10 that will extend into 2024. This flurry of activity has invited fresh thinking across all departments and has led to stronger outcomes.

By keeping our clients and employees front and center in every decision we make, we're steering WorkSafeNB toward a future defined by innovation and people-first approaches, setting the stage for a legacy for the next 100 years.





# PASSION FOR SAFETY

Safety Star AWARDS PRIX DES étoiles de la sécurité 2023

When it comes to building awareness and passion for safety in the construction industry, Shelley Poirier goes the extra mile. And she is grateful to WorkSafeNB for the collaboration to get there.

WorkSafeNB recognized Poirier as a 2023 Safety Star for her dedication to health and safety in the construction industry.

Poirier is senior safety advisor and in charge of training and curriculum development for the New Brunswick Construction Safety Association (NBCSA). She has been with the association for 20 years, running programs aimed at providing safety resources and training. The NBCSA's mission is to create a positive culture shift within the construction industry to significantly reduce the human, social and economic losses from workplace accidents and injuries.

"I used to work in vocational rehabilitation and that experience, working with people with severe

workplace injuries, inspired me to work on the preventive side," Poirier said of her early role at Abilities Foundation of Nova Scotia. "Some had injuries that were quite severe and so that meant that they weren't able to work a full day. But some of these folks were young, and so it was important to them that they still contribute."

This work led to a brief contract position for the Canadian Council of Rehab and Work, teaching adults in the classroom and helping them get their academic skills up to get the job they were after. It was her first experience teaching in a classroom, something she'd never thought twice about doing before. She ended up loving it.



“And so that kind of pushed me in a different direction. I was telling my husband, who is a tradesperson, that I really wanted to do something with teaching. And he said, ‘Well, it’s interesting, because there’s this place called New Brunswick Construction Safety Association and they are looking for someone to teach.’ And I laughed and I said now, what would I possibly know about construction safety?”

“I was definitely not born with a hammer in my hand.”

But, on her husband’s urging, she called NBSCA president Roy Silliker who decided she’d be a good fit for teaching their management courses, based on her background.

With that, she became the first woman instructor for the NBSCA and then their first woman auditor.

“As women, we were rare in the construction industry. It was mostly me and 20 guys in my classroom. It was a different world with different attitudes about safety and different attitudes about females in the construction world.”

But her directness and enthusiasm for safety won over many in the classroom. She went on to become manager of training and curriculum development.

“Her passion for safety in the workplace both as a trainer of safety courses and a safety advisor has helped to make NBSCA what we are today,” Silliker said. “Her passion also has led to her assisting many individuals get into the safety profession. More than once have I had someone say to me, ‘I got into the safety field because of training or advice received from Shelley.’ I was very pleased to see her accept

the Safety Star award in 2023. It could not have been given to a more fitting person.”

Through her 20 years with NBSCA she’s grateful for the relationships she’s developed with WorkSafeNB staff and their shared goals of pushing for safety improvements in the industry.

“We’ve always seen WorkSafeNB as a partner. It is so easy to pick up the phone or drop an email with a question and get a quick answer,” she said. “In today’s world with Google, people sometimes pull things up in class and question the materials. I can be in the middle of teaching a course and if I have a question, I can send it off to WorkSafeNB’s chief compliance officer Eric Brideau and usually get an answer before the course is over. And then I can say, ‘Well, the Chief Compliance Officer said...’”

Recently WorkSafeNB and NBSCA partnered on a new online training program focussed on truss safety awareness.

“There was an alarming number of incidents with people working and falling from trusses. So we worked closely in collaboration with WorkSafeNB to create this new truss safety course.”

The course is designed to provide an awareness of the hazards and controls involved in truss installation which includes, truss collapse, equipment failure, material handling injuries and working from heights.

She said her relationship with WorkSafeNB staff is invaluable.

“It helps us build better courses and educate our industry.”

It’s a partnership that she says has helped bring about a change in mindset on construction sites over the past 20 years.

“There’s still work to do. But I will say, it’s more accepted now on sites, that safety policies are accepted as just part of the work. It’s engrained in a way it wasn’t decades ago. People are seeing that safety on the job site is important to getting the next job, and the next. And having solid safety programs and having an educated staff can keep your jobs flowing smoothly and hopefully keep the number of incidents that we have down to very minor incidents with very minor injuries.”

## FOCUS AREA

# PEOPLE

**WE WILL CREATE A PEOPLE-FIRST CULTURE RESULTING IN AN EXCEPTIONAL EMPLOYEE AND CLIENT EXPERIENCE.**



At WorkSafeNB, it's people first. We're all about our people and the people we serve – you, our clients and stakeholders. Looking after our people and making New Brunswick the safest place to work is not just a job for us, it's a passion!

We are dedicated to supporting injured workers and their families throughout their recovery journey, helping employers navigate workplace safety and return-to-work programs, and fostering an environment where our team members can thrive, because at WorkSafeNB, it's people first.

## OBJECTIVES



Foster a high-performance culture that is inclusive, engaged and empowered.



Evolve an accessible, personalized client service experience.



Focus service delivery that is high quality, efficient, delivers intended outcomes, and is resourced appropriately.

# KEY STRATEGIC MEASURES

## EMPLOYEE ENGAGEMENT

2021	2022	2023
53%	61%	63%

Because engagement is key to retaining and attracting top talent, we measure engagement through an extensive annual survey. Engaged employees keep each other motivated, boosting the success of both individual teams and the organization, and we recognize this is essential to our future success.

Overall, employee engagement increased by 2% over 2022, and an impressive 10% over 2021 – from 53% to 63%. WorkSafeNB scored higher compared to the overall benchmark for engagement and considerably higher when looking at the industry benchmark for public administration (55% versus WorkSafeNB’s 63%). In fact, we were in the top 25% of all public administration organizations. Our participation rate, at 94%, is also much higher than the industry average, indicating an engaged workforce that feels valued and trusts that their feedback is heard.

**We love our people, and we want them to continue to love working with us.**

This significant growth in engagement in a two-year period tells us that our employees are invested in our vision and culture. It also demonstrates that the initiatives we have implemented and the work we are doing are quickly yielding results. We are excited to see this positive trend, and for this reason, we have set the ambitious target of 70% for 2024.

To meet this target, we will continue to focus on engagement and culture by encouraging collaboration, improving productivity, building trust and relationships, and acquiring, developing, and keeping top talent. Early, frequent, and transparent communications, as well as people-focused Modernization initiatives, including change leadership, culture alignment, learning and development, and psychological safety are underway to drive employee engagement.

**Our employee experience score – part of our engagement survey – measures how likely employees would be to recommend WorkSafeNB to a friend or a family member as a great place to work**

**IMPROVED BY 54 POINTS IN JUST TWO YEARS.**



## KEY STRATEGIC MEASURES

### CLIENT SATISFACTION\*

#### INJURED WORKERS

2021	2022	2023
n/a	69.3%	<b>70.6%</b>

#### EMPLOYERS

2021	2022	2023
n/a	76.3%	<b>74.4%</b>

\* Before 2022, surveys were conducted every second year. They are now conducted annually.

To ensure we are providing the best service possible to the people we serve, the workers and employers of New Brunswick, we conduct, through a third party, an annual client satisfaction survey. This survey informs us on what we are doing well, and areas where we can improve.

As we strive to create exceptional service, these survey results are more than statistics – they’re a testament to our commitment to a client-centric approach. We are committed to putting clients at the forefront and strive to show this in every interaction.

In 2023, we surveyed 900 injured workers and 300 registered employers who received WorkSafeNB services between September 2022 and May 2023. These survey results continue to remain stable, with injured workers scoring 70.6% and registered employers scoring 74.4%.

We remain committed to improving these results through initiatives such as online forms, rehab services and stable assessment rates. By improving how we deliver services and how we interact daily with clients, we will continue to elevate the client experience.



## THE PEOPLE WHO SERVE YOU

A strong workplace culture reflects specific behaviours that enhance client service and employee engagement.

WorkSafeNB prioritizes creating an engaging experience for our employees, fostering their growth and a people-first environment. We also aim to attract top talent, recognizing that a strong, vibrant workplace culture is essential for achieving this.

In 2021, we conducted our first culture survey, capturing employees’ personal values, the values they saw in action at the time, and the values they wanted to see adopted by WorkSafeNB. In 2022, we completed a series of workshops, interviews, and small focus groups to identify any gaps between the culture we had and the culture we wanted. We gathered employee feedback to develop our values

– the beliefs and principles to drive us forward and that are so important to shaping our corporate culture.

We conducted a second culture survey in 2023, with the response rate rising from 76% to 94%. The response rate was reason to celebrate, but the survey results were the true testament to our progress. Our culture score increased from 24 to 55, four points above the global average of 51 – an incredible accomplishment and evidence that our employee-focused philosophies are making a significant impact in a short time.

We’re proud of our culture results, and how our workplace culture is translating into an excellent experience for both employees and clients.

**“The response rate itself was a success. The growth from 76 to 94% is something we’ve never seen before.” – survey administrator**

### WHAT’S DRIVING OUR CULTURE

 <p><b>Meaningful Values</b></p>	 <p><b>Work-Life Balance and Staff Wellness</b></p>	 <p><b>Trust and Transparency</b></p>
 <p><b>Respect, Inclusivity and Accountability</b></p>	 <p><b>Leadership and Change Management</b></p>	 <p><b>Opportunities to Provide Feedback</b></p>

## THE PEOPLE WHO SERVE YOU

### CULTURE IS DEVELOPED THROUGH VALUES – OUR VALUES IN ACTION

A strong workplace culture means ensuring the values employees see as most important to our future are the values that drive our actions every day.

As part of the culture surveys, employees selected the 10 values they would like to see in action daily. Across the organization we saw a trend of three values: Accountability, Collaboration and Trust.

In the spring of 2023 we launched our new values. Since then, we've created workshops and activities for leaders to help employees keep our values and culture top of mind. Our values are front and centre, not only at events like our annual Connect staff meeting, but also embedded into our meetings and daily routines.

Culture is composed of our values and the everyday actions we take while striving to make New Brunswick the safest place to work. These actions, behaviours and values drive us forward and unite us as a team.

Culture isn't something that's created overnight, and it can't be dictated from the top down. It's shaped by employees through everyday actions. That's why we took our values a step further and created four behaviours under each value. These behaviours demonstrate what those values look like in practice. Together, our shared commitment to these values and behaviours ensures that our culture is built collectively, making New Brunswick the safest place to work and WorkSafeNB a great place to work.





# CONNECT 2023

In 2022, for the first time in 1,608 days, staff were united in person for our annual staff meeting, with the theme Reconnect.

In 2023, 350 employees gathered to connect once again with colleagues, celebrate service award recipients and retirees and put our values of Accountability, Collaboration and Trust into ACTION! We kicked off the ACTION-packed day (this year under the theme Connect) by demonstrating our values at TIMtalks live. We saw accountability through a compelling panel of WorkSafeNB stakeholders: injured workers Olga Petiteau and Guillaume Bernard, and employer representative Craig Silliphant, a health and safety co-ordinator from Clow Canada. We collaborated in a workshop on our values, leaving the event with a booklet of all our hard work and inspiring actions we can each take to live our values every day. Finally, we saw a moving

presentation on trust, *Why Inclusion, Diversity, Equity, and Accessibility Matters to Everyone*, by speaker Michael Bach.

While we celebrated our work in the day, in the evening we celebrated each other. We recognized 97 employees celebrating milestones of 5, 10, 15, 20, 25, 30, 35 and 40 years, including 14 retirees.



## THE PEOPLE WHO SERVE YOU

### LEARNING AND DEVELOPMENT

We know how important learning and development is to our culture and to making us New Brunswick's employer of choice. Whether it's picking up new skills, staying ahead of trends, or just getting better at problem-solving, investing in learning and development isn't just a good idea for us – it's a good idea for our clients too. When our people grow, our organization grows. It's all about staying sharp, staying flexible, and being ready to tackle whatever comes our way to provide the best possible experience for both employees and clients.

Our multi-year Learning and Development (L&D) project laid a strong foundation in 2023. We surveyed all departments to fully understand their learning and development needs, and then developed a strategy and roadmap focused on creating excellent onboarding, coaching and development opportunities. As our employees become more skilled, our clients and New Brunswick workplaces will have a more knowledgeable workforce to help them with prevention and safe and early return to work.

L&D offers our people more – more opportunities, more resources, and more choice in how to grow their skills and advance their careers.

### INVESTING IN OUR LEADERS

Investing in leadership development is critical to ensure that our leaders have the necessary skills and abilities to drive positive outcomes and WorkSafeNB understands and acts on the importance of this factor.

As we promote and hire new leaders, each is provided with this same experience as part of a five-pillar leadership program occurring during their first 12-18 months at WorkSafeNB. In 2023 we introduced the two critical pillars:

#### 1 COACHING SKILLS FOR MANAGERS PROGRAM

All leaders participated in classroom and interactive practice sessions led by a professional coach, followed by individual coaching sessions designed to embed that ability in their people leadership practice.

#### 2 CHANGE LEADERSHIP TRAINING FOR PEOPLE LEADERS

The results and experience of this new offering are highlighted on page 27.

**LinkedIn Learning** is one tool we use to support our employees' learning and development.



**76%**

OF EMPLOYEES VIEWED

**1,274**

HOURS OF CONTENT, TOOK

**1,012**

COURSES AND WATCHED

**22,000**

VIDEOS

## THE PEOPLE WHO SERVE YOU

### NAVIGATING CHANGE THROUGH LEADERSHIP

When we launched our modernization roadmap in 2022, we knew it would affect many departments in our organization.

So, with a people-first focus, one of our early projects was change leadership training. We needed our employees to understand the reason for change and provide them with the resources and support to help drive that change. Our goal was to enable our leaders with the skills required to successfully support their teams and the organization through this time of change using the CLARC model, which acknowledges the key roles people managers play in supporting their employees through change:

- Communicator** – Communicating changes effectively
- Liaison** – Engage with and support the project teams and their direct reports
- Advocate** – Demonstrate support for and reinforcing the change and its positive outcomes
- Resistance Manager** – Identify and mitigate resistance to the change
- Coach** – Help employees through the change process.


Ultimately, we want to minimize disruption and engage our employees; we want to inspire them and not only adopt business changes, but to embrace them.

We provided training through workshops and in Q1, 72 employees completed the training, with strong outcomes. We've seen a remarkable increase of 30% in self-assessing at or above the expected change leadership proficiency level following the training. It was also a good experience that allowed our staff to connect colleagues.

**“Leading our team through change is foundational and it’s this type of training and these types of investments that will pay off in the long run as we strive to become the greatest place to work in New Brunswick.”** – Laragh Dooley, Executive Director, Corporate Communications; Human Resources; Business Transformation




**“As leaders, it’s important to understand the barrier points and where we can better support employees navigating change.”** – Joanie McGraw, Acting Director, Human Resources



**“Change occurs one person at a time and one conversation at a time. People move through these stages of readiness at their own pace so it’s really important to have intentional conversations with each and every person, ensure they really understand the why behind our changes.”** – Katie Melvin, Manager, Business Operations, Health Services



**“While on this transformation journey what has been validated for me is that we’re all individuals and how we process and accept change will vary person to person. This is OK, this is normal.”** – Robyn Gardner Losier, Chief Review Officer, Decision Review Office



## THE PEOPLE WHO SERVE YOU

### A PSYCHOLOGICALLY SAFE WORKPLACE

WorkSafeNB has dedicated resources to help our clients with mental health, including traumatic psychological injury management and suicide prevention support. But we realize our employees need support in this area too.

In 2024, we will formally launch our Modernization initiative Psychological Health and Safety, but we always seek new ways to foster this environment and ensure it benefits everyone involved.

That's why, in 2023, we offered employees training in LivingWorks ASIST.

Co-facilitated by Brandi McHarg and WorkSafeNB's own Randy Tibbitts, the interactive workshop equipped participants with practical skills to actively recognize signs of suicidal tendencies and provide effective first aid. The training deepened their understanding of mental health challenges, fostering confidence and capacity to support individuals with thoughts of suicide.

"I've been personally affected by suicide loss, and it drives my passion and desire to make a difference in



mental health and create awareness around suicide prevention," Randy said. "Many people have a story about how suicide has personally affected them. This training is a safe space to talk about these experiences and how it impacts our lives."

As an ASIST trainer, Randy said he can share the knowledge and experience he has gained and help people become more confident to provide lifesaving skills to someone in distress.



**Randy Tibbitts**

"Being able to share this knowledge with my WorkSafeNB team was very rewarding."

**“My biggest takeaway from the ASIST course is the importance of listening to my intuition. If I sense someone around me might be thinking about suicide, I should ask them directly. This will enable me to provide timely support.”** – Tamara Bodechon, Change Management



**Motivated by the growing mental health challenges globally and the desire to be prepared to support my family, community, and workplace, I joined the ASIST training workshop. It equipped me with the tools and mindset to help others. Learning from real-life heroes made the experience invaluable. Thanks to WorkSafeNB for investing in our well-being.** – Yenni Ogando, Human Resources

**Hearing my colleagues' stories about the impact of suicide was touching, serving as a reminder that you never truly know someone's journey.** – Ashley Robichaud, Communications



## THE PEOPLE WHO SERVE YOU

### WORKING ON WELLNESS

WorkSafeNB's regional Wellness committees joined forces to offer exciting events, challenges and guest speakers in 2023.

Our Words of Wellness series brought together a group of diverse speakers and topics to dive into the health benefits of birding, gardening advice, tips for better sleep, a cooking tutorial, and the healing benefits of nature, comedic relief and psychological health and safety.

The Wellness committee also focused on the fundamentals of health – nutrition and exercise – with courses on intuitive eating and gentle yoga.

Employees came together virtually for three sessions with Live Well / Vivre Bien learning about SMART goals, the art of the rebound, and building health routines.

Avid runners and walkers enjoyed five events over the year – from the Shamrock Shuffle to the Steps for Life Walk, the Sweet Caroline Run, Run for the Cure and Santa Shuffle.

Thanks to a strong mix of in-person and virtual events, the Wellness committee set the bar high for creating events that build community and wellness across the organization.



**Kari Shea teaching gentle yoga**



**Shamrock Shuffle team**



**Santa Shuffle team**



**Run for the Cure team**

## THE PEOPLE WHO SERVE YOU

### CARING FOR OTHERS – SOCIAL RESPONSIBILITY

When your career is dedicated to making New Brunswick the safest place to work, it's safe to say you care about people. WorkSafeNB employees prove their compassion not only in their daily work, but through their community commitment.

#### HELPING CURB HUNGER

Employees like Doug Malcolm, an application developer in our IT department, exemplify the compassion that guides our work.

Since 2009, Doug has spearheaded fundraising for Romero House, a soup kitchen in Saint John. To date, he's helped raise more than \$25,000.

"From our head office at Portland Street, you could see the Harbour Lights tree, a symbol of the Harbour Lights campaign that raises money for food banks," Doug said. "And WorkSafeNB generously supported this worthy campaign. But I was listening to the radio, and someone from Ritchie's (Building and Flooring Centre) said they would live in the back of a 53-foot truck trailer until it was filled with food for Romero House," he said. "That prompted me to do something."

Since Romero House is a soup kitchen and not a food bank, they did not receive funds from Harbour Lights. But the need for services such as those provided by Romero House is just as great. Since 1982, Romero House has served hot meals 365 days a year to those with no means to cook for themselves, with a majority of them homeless.



So Doug put out a call for cash or food donations, and employees responded. Since 2009, \$14,294 has been raised for Romero House. "I always drop the money off on double-up days, so this amounts to \$28,588," he said. (Ritchie's matches donations on double-up days.)

**“While Doug’s commitment to Romero House is typical of the caring nature of WorkSafeNB staff, I want to personally thank him for making a real difference in our community.”**

– Tim Petersen , President and CEO

### THREADS OF LIFE

Threads of Life, a charity that supports families affected by workplace tragedy, is another beneficiary of WorkSafeNB's generosity. Every year, our employees take part in Steps for Life, the group's major fundraising event.

In 2023, 171 employees, family members and friends joined the Steps for Life walk, marking a record-breaking attendance, and raising more than \$5,400.



## THE PEOPLE WHO SERVE YOU

### UNITED WAY

Since 2016, WorkSafeNB employees have generously given more than \$67,000 to the United Way through payroll deductions. The funds have benefited United Way chapters across the province, supporting hundreds of community service organizations.

In 2022, we raised the bar for the United Way while adding an element of fun to our fundraising. In addition to payroll deductions, we joined other provincial government organizations in a voluntary weekly 50-50 draw and bingo games, raising an additional \$1,100\* dollars over payroll deductions of \$14,100\*. In 2023, we surpassed 2022 donations by \$3,000, donating more than \$18,000, adding to GNB's contribution of approximately \$243,000.

Shawna Wallace, manager of Enquiries, began co-ordinating WorkSafeNB's fundraising for the United Way in 2018.

"The United Way is an organization very close to my heart," Shawna said. "I got involved because of the many groups they help. They look at where the needs are greatest, and then distribute funds accordingly. The United Way benefits youth, the homeless, the vulnerable, the hungry – the list goes on. That's why our fundraising is so important, and I'm proud to be a part of it."

Todd Boudreau, a continuous improvement specialist in WorkSafeNB's Business Transformation department, and member of our United Way fundraising committee, notes that before 2022, WorkSafeNB employees in the central part of the province had already been participating in GNB's 50/50 and bingo fundraising activities.

"We've opened this up since last year to all WorkSafeNB employees, and the impact was HUGE. Participation and contributions nearly tripled,"



**From left: Shawna Wallace, WorkSafeNB; Jenna Holder, Relationship & Development Officer, United Way; Jo-Anne Renton, Resource Development Manager, United Way; and, Tim Petersen, President and CEO, WorkSafeNB.**

Todd said. "It was awesome to see so many of our colleagues engaged in a fun virtual activity while also meaningfully contributing to the United Way, and ultimately, our local communities. WorkSafeNB raised \$2,808 just from 50/50 and bingo in the 2023 campaign!"

The United Way presented WorkSafeNB the Quantum Leap Award for increasing our fundraising total over 100%, as well as the Outstanding Campaign Team Award, for effectively using teamwork and strategic thinking to improve our campaign.

Bravo to everyone at WorkSafeNB who generously gave to the United Way campaign!

*\*Numbers have been rounded off.*

## THE PEOPLE WHO SERVE YOU

### DONATING MORE THAN JUST DOLLARS

Our employees prove their compassion not only in their daily work, but through their community commitment. They not only fundraise, but they also volunteer their time and energy, expertise, and even their blood to enrich the lives of others.

Here are just a few of our employees who volunteer.



**STEPHEN JACKMAN**  
231 blood donations



**MONICA McHUGH**  
Red Head Strays



**COLLEEN KINCH**  
Meals on Wheels



**RENZ ABUHAN**  
Civil Air Search and Rescue (CASARA)



**MONIQUE ROGERS**  
Champlain Heights Community Association



**RANDY TIBBITS**  
Saint John Suicide Prevention



**JENNIFER KEIR**  
PMI-NB (Project Management Institute of New Brunswick)



**KYM ELDER**  
Triathlon New Brunswick



**KAVITHA JAGADEESAN**  
Kaleidoscope Social Enterprise



**CINDY LOSIER**  
YMCA



**REBECCA BONNELL CONNERS**  
Hampton Minor Basketball Association



## THE PEOPLE WHO SERVE YOU

### RECOGNITION FROM OTHERS

Naturally, we believe our employees are the leaders in our field. But when they get invited to speak and share their knowledge with other organizations, it shows that we're not the only ones who think they're top-notch.



Sheila Liston, manager Public Administration Sectors and Specialized Services, was invited to discuss our SUCCEED program at the Canadian Centre for Occupational Health and Safety's annual conference in Toronto.

**Sheila Liston**

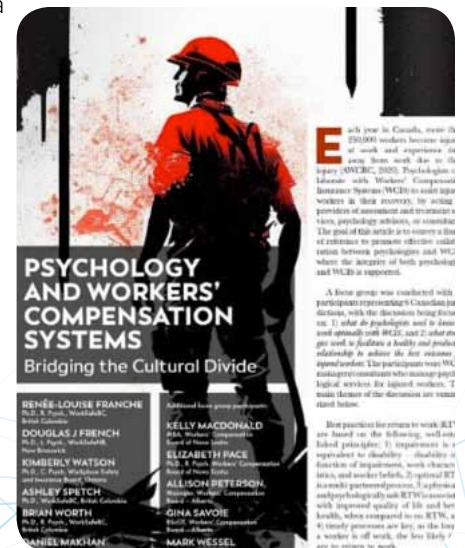


In 2023 ergonomist Todd Hickey not only presented at our Annual Health and Safety Conference, but also spoke at the Atlantic Workplace Health & Safety Conference in Halifax and the Workers Compensation Board of Prince Edward Island's conference in Charlottetown.

Donna Miller-Wallace, WorkSafeNB's director of Corporate Planning and Operational Performance, presented on our modernization journey to a large audience at the International Association of Industrial Accident Boards and Commissions (IAIABC) Convention in Colorado.



Another example that WorkSafeNB is leading the way in expertise can be seen in the Volume 1 2023 issue of *Psychopsis*, a magazine published by the Canadian Psychological Association. It features an article authored in part by Dr. Douglas French, WorkSafeNB's lead psychology consultant.



## THE PEOPLE WHO SERVE YOU

### RECOGNITION FROM OTHERS

Founded in 1967, Safety Services New Brunswick is a not-for-profit charitable organization committed to health and safety education, training, consultation and advocacy. Several WorkSafeNB employees were invited to speak on Safety Services' bi-weekly podcasts in 2023:



**Health & Safety Podcast for New Brunswick**



**Laragh Dooley**  
Executive Director, Corporate Communications and Business Modernization  
WorkSafeNB

Listen on  



**Health & Safety Podcast for New Brunswick**



**Belinda Kumar**  
Manager, Pensions and Long-term Disability  
WorkSafeNB

*"How does the worker's compensation system work?"*

Listen on  



**Health & Safety Podcast for New Brunswick**



**Eric Brideau**  
Director – Investigations & Technical Services/  
Chief Compliance Officer  
WorkSafeNB

Listen on  



**Health & Safety Podcast for New Brunswick**



**Tim Petersen CPA, CA**  
President & CEO  
WorkSafeNB

LISTEN ON  



President and CEO Tim Petersen spoke to the International Association of Firefighters about our SUCCEED program for workplace psychological injuries and thanked firefighters for their work. He also addressed the New Brunswick Nurses Union at their AGM, discussing safety in healthcare, return-to-work initiatives, and violence and harassment consultation services.



## THE PEOPLE WE SERVE

### CARE CLOSER TO HOME



In 2023, WorkSafeNB rolled out a new rehabilitation care model that allowed clients to remain in their homes and closer to their support networks. The Care Closer to Home model was adopted following a trial period and comprehensive consultation with New Brunswick's stakeholders, workers, and employers.

This care model was first tested in 2020, when the COVID-19 pandemic forced WorkSafeNB to suspend our services at our Workers' Rehabilitation Centre (WRC) in Grand Bay-Westfield. Clients started to receive virtual care in the comfort of their own homes and by partnering with health care providers in their community.

This ended the need for long-distance travel and time away from their loved ones and support networks for several weeks. Its success persuaded us to formally adopt this care approach, putting our clients' needs first.

The success of our Early Intervention service, implemented in 2021, also led to eliminating the need for in-house treatment at the WRC. Early Intervention provides individualized support to workers to recover in the workplace and identifies those clients who may be at risk of having their condition worsen or developing disability. (See more on page 36.)

## THE PEOPLE WE SERVE

### SAYING GOODBYE TO THE WRC

WorkSafeNB has provided in-house rehabilitative services to more than 24,000 New Brunswick workers since 1946. Then known as the Workmen's Compensation Board, these services were first provided out of the Ridgewood facility in South Bay, Saint John.



Built in 1977, a world-class facility for in-patient treatment for injured workers was opened in Grand Bay-Westfield – the Workers' Rehabilitation Centre (WRC).

At the time, the WRC was a trailblazer, the only specialized treatment centre of its kind in eastern Canada. It provided unique multi-disciplinary rehabilitation services, unavailable anywhere else in the province, delivered by a team of physicians,

physiotherapists, occupational therapists, psychologists, social workers, prosthetists/orthotists, nurses, a dietitian, and other health care professionals. Services were provided under these three proven service streams:

- ▶ Vocational Evaluation Program
- ▶ Work Recovery Program
- ▶ Assistive Devices Program

**The WRC will always remain an important part of our history. It was a vibrant community of staff and workers from its opening in 1977 right through to March 2020.**

## THE PEOPLE WE SERVE

As a treatment centre, every four years the WRC underwent and met stringent requirements for accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF) International. To achieve this accreditation, the WRC had to satisfy more than 1,000 internationally recognized standards through a rigorous peer-review process.



## THE PEOPLE WE SERVE



One of several Walk 'n Roll events, in support of Disability Awareness Week.

But beyond being a centre of excellence for hope and healing, the WRC was also a centre for community. It hosted blood drives for staff and area residents and served as an emergency shelter. It served as the background for several Walk and Roll events, in support of Disability Awareness Week, in which staff, clients, local dignitaries and residents used wheelchairs, canes, crutches and blindfolds to simulate mobility challenges.



Former WorkSafeNB president and CEO, Doug Stanley (left) and former board chair, Roberta Dugas, sign over the Blueberry Hill land to Ken Hirtle, former president of Nature Trust of New Brunswick.

Staff, clients and community members alike regularly delighted in walking the Blueberry Hill trails, located behind the facility. In fact, Blueberry Hill was so important to the community that, in 2008, WorkSafeNB donated the land to the Nature Trust of New Brunswick. Blueberry Hill comprises 50 acres of



One of several blood drives held at the WRC.

diverse habitats and ecosystems, including fields, marshes and different forest types bordering the beautiful St. John River. By entrusting it to the Nature Trust, we ensured the area would be diligently preserved for future generations of New Brunswickers.

As with most things, however, in 2020, COVID-19 significantly changed the WRC's role. We were forced to suspend operations at the WRC and had to find a way to continue to serve our rehab clients. By leveraging technology and partnering with local community health care providers, which are more readily available now than when the WRC first began operating, we could provide specialized care to our clients in their own communities. This eliminated the need for clients to travel to Grand Bay-Westfield and spend six to eight weeks in outpatient treatment at the WRC; our Care Closer to Home model was born.

This care model minimizes disruption to their lives, provides comparable positive outcomes, and better supports safe return to work. Now, they are receiving the care they require closer to home and to their families and support networks - networks so critical in their recovery.

The care model proved so successful during the height of the pandemic that, after careful consideration and extensive stakeholder consultation, WorkSafeNB permanently adopted this model in 2023.

## THE PEOPLE WE SERVE



**Retired occupational therapist, Kate Coffman, attended and shared her photo collection and memorabilia to create a nostalgic walk down memory lane.**

We also introduced another service delivery model – Early Intervention. This model enables us to identify complex cases earlier on in the claim process and dedicate staff to early intervention. These cases previously would not have been identified until 300+ days into the claim process, and typically would have ended up at the WRC.

Once the early intervention team has identified a client with psychosocial barriers to return work, that client will be immediately referred to the disability prevention unit to work through those barriers early in the claim to quickly and safely return these clients to work.

It's been proven that early intervention and disability prevention programs can improve time to recovery, reduce lost time at work and reduce use of opioids and prevent other negative medical outcomes.

With the success of these new care models, the WRC was no longer required. Clients were no longer needing to access the facility, but its offices were no longer required as a major tenant did not renew their lease, and most of our staff were working from home. But WorkSafeNB had to still maintain the WRC's upkeep, at a considerable cost.

So, in 2023, we signed an agreement with the Government of New Brunswick and sold the property. With our people-first approach, all employees who worked at the WRC, whether clinical or focused on the facilities, were offered new value-added positions within WorkSafeNB, or retirement options.

On Aug. 17, it was with bittersweet emotions that current and former staff gathered at the WRC to reminisce, renew old acquaintances, and celebrate its long legacy of care – an emotional end to an era.

Our hope is that the building continues to add value to the community and province.

## THE PEOPLE WE SERVE

### NEW HUB LAUNCHED FOR JOINT HEALTH AND SAFETY COMMITTEES

Joint health and safety committees (JHSCs) are crucial partners in helping us make New Brunswick the safest place to work. JHSCs consist of worker and employer representatives, working collaboratively to develop and maintain positive, injury-free health and safety workplaces in our province. They are a legislative requirement for workplaces with 20 or more employees.

We recently consulted with JHSCs across the province to learn how we could improve their experience with us. They told us that information was difficult to find and spread across various locations on our website. They wanted a one-stop place to navigate all things JHSC.

So, in fall of 2023, WorkSafeNB launched a new online hub for New Brunswick's JHSCs.

The JHSC Centre supports anyone connected to JHSCs – from the new committee member or employer starting a committee to the experienced member and training provider.

#### THE HUB CENTRALIZES:

- ▶ JHSC legislative requirements
- ▶ Self-evaluation tool
- ▶ Consultation service access
- ▶ Forms
- ▶ JHSC training and certificate information
- ▶ Approved training provider requirements
- ▶ Frequently asked questions (FAQs)

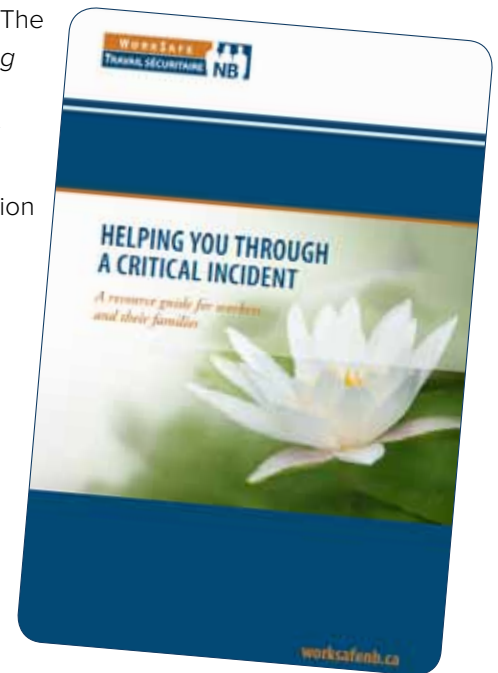
We also released an improved JHSC minutes template. JHSC minutes are a requirement under the *OHS Act* and the new template uses clear language and provides space for additional contact information.

### NEW RESOURCES FOR FAMILIES EXPERIENCING WORKPLACE INJURY OR DEATH AVAILABLE

WorkSafeNB regularly consults with the Injured Workers Advisory Committee (IWAC) to discuss issues that are important to New Brunswick's injured workers and their families, including those who have lost loved ones. The committee actively discusses concerns and offers suggestions on behalf of injured workers and their representatives to help enhance the quality of our programs. With IWAC's guidance, we developed new resources to better support those navigating the trauma of a serious workplace injury or death. The

updated *Helping You through a Critical Incident* guide provides helpful information to workers and their families as they grieve and adjust after a critical incident. This guide is provided by team members who are the first point of contact to support these

individuals and families. Also available on our website, it provides information on benefits, WorkSafeNB's role when a workplace injury or illness occurs, tips for coping with trauma and grief, and how to access support through our partners at Threads of Life. Resources like these show our clients care and compassion when facing adversity.







## THE PEOPLE WE SERVE

### DIVERSITY, EQUITY AND INCLUSION

Diversity, Equity, and Inclusion (DEI) are integral to a thriving and progressive work culture. To align with the WorkSafeNB behaviour of “I celebrate diversity, inclusion, and belonging,” we have prioritized the development of a DEI framework.

While the framework is still being created, in 2023 we committed to establishing inclusive language guidelines for our letters to workers and employers, recruitment efforts, and conversations. This work has already been completed and rolled out, showcasing our dedication to continuous improvement in fostering inclusivity and respect within our organization.



Michael Bach

The keynote speech by Michael Bach, founder of the Canadian Centre for Diversity and Inclusion, at our 2023 Connect event was part of our efforts to equip employees with the tools needed to create a more inclusive client experience.

Moving forward, we are committed to further enhancing our DEI initiatives. Ultimately, we aim to ensure that everyone who engages with WorkSafeNB feels valued, respected, welcomed, and empowered.

### MAKING SAFETY OUR UNIVERSAL LANGUAGE – ACCESSIBLE RESOURCES IN MULTIPLE LANGUAGES

We are proud to live and work in Canada’s only bilingual province, and to offer our services in both official languages. But today’s workforce includes workers whose first language is one other than English or French. To make New Brunswick the safest place to work, we must transcend language and cultural differences.

New Brunswick welcomes many newcomers and temporary foreign workers each year – people with English or French as their second language. We recognize that these workers may face challenges in the workplace, making it essential to equip them with the knowledge and tools for a safe working environment.

WorkSafeNB launched an awareness campaign to communicate key principles of occupational health and safety, emphasizing the rights and responsibilities shared by all workers.

We developed a webpage and produced informational pamphlets available in multiple languages, including Arabic, Korean, Mandarin, Spanish and Ukrainian. We promoted these resources through social media and actively engaged with employers, industry associations, settlement agencies, and multicultural organizations to address the challenges posed by language differences, diverse health and safety expectations, and hesitancy to voice concerns at work.

It’s just another step toward making safety easily accessible to all.

## THE PEOPLE WE SERVE

### WORKSAFENB'S DECISION REVIEW OFFICE SETS NEW STANDARDS WITH RAPID TURNAROUND TIMES

Driven by a commitment to excellence and innovation, WorkSafeNB's Decision Review Office (DRO) continues to redefine industry benchmarks by achieving unprecedented turnaround times in decision reviews. Leveraging a focused approach and technology, the DRO has shattered records, completing reviews within an impressive average of 16.6 days, well ahead of the established four-week timeline service standard. In comparison, the wait time in 2021 was close to eight months.



**979**  
TOTAL NUMBER  
OF REVIEWS  
COMPLETED – 2023



**16.6**  
AVERAGE CALENDAR  
DAYS FOR DECISION  
– 2023

In 2023 alone, WorkSafeNB successfully processed 979 reviews, establishing itself as the leader in turnaround times for the first level of appeal among Canadian jurisdictions. These results underscore the office's dedication to delivering prompt decision reviews and also highlight the DRO's important role in upholding clients' rights to appeal without undue delays.

The outstanding achievements of the DRO have not gone unnoticed. WorkSafeNB's chief legal officer, David Luther, was honoured with the prestigious Innovation Impacting the Profession Award at the Canadian Council Inhouse Representation Awards held in Toronto. This accolade not only recognizes Luther's visionary leadership but also celebrates the collective efforts of the entire team in transforming the decision review processes.



### DECISION COUNT BY OUTCOME – 2023



VARY

**341**  
(34.83%)

CONFIRM

**297**  
(30.34%)

REVOKE

**236**  
(24.11%)

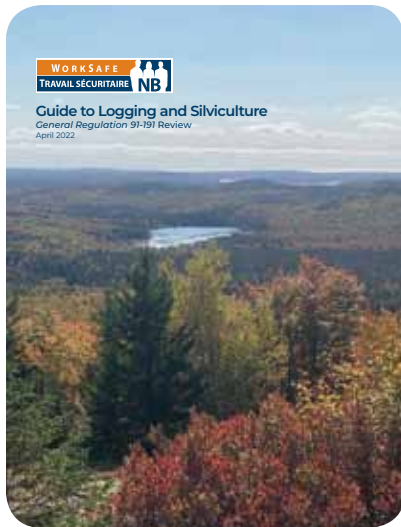
SUSPEND

**105**  
(10.73%)

## THE PEOPLE WE SERVE

### COMMUNICATIONS TO MEET GROWING NEEDS

Exceptional client service means providing the information our clients want and need. We listen to them and watch trends to develop publications that help inform them to manage risks, identify hazards and develop policies and procedures to help make New Brunswick the safest place to work. Other publications serve as guides, such as our newly revised *Helping You Through a Critical Incident*.



Working in the woods presents many potential hazards. This guide was developed to help employers and employees understand the General Regulation 91-191 (Reg. 91-191) Part XXI Logging and Silviculture Operations including the regulation changes that were implemented April 1, 2022.

In 2023, every season (four times a year), we shared an email newsletter with dedicated subscribers (about 3,000 people). E-News helps keep subscribers informed of timely and helpful health and safety information that can affect their workplace. In 2024 we will increase the frequency to monthly editions to allow for timelier information.



### SOCIAL MEDIA



**2,398**  
FOLLOWERS

(401 French followers and 1,997 English followers)

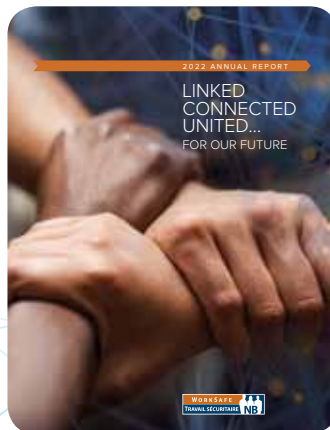


**7,397**  
FOLLOWERS



**570**  
FOLLOWERS

ALSO PUBLISHED IN 2023 



## THE PEOPLE WE SERVE

### FRONT-END CLIENT INTERFACE PROJECT LAUNCHED

We know workers, employers, and service providers want and need easy access to comprehensive support, crucial information, and trusted guidance from WorkSafeNB, because a safe and healthy workplace protects lives, and recovery following an injury is critical to keeping New Brunswick communities whole and thriving.

With the launch of our Front-end Client Interface Strategy Project in 2023, we're building a future where dealing with WorkSafeNB is all about seamless experiences, ease of access, and personalized interactions, whether you're going to

our website or picking up the phone. Picture multi-channel options where New Brunswickers can connect with us in different digital platforms based on their preferences. By giving your options for communication a modern touch, we're committed to make critical information easily accessible and empower our clients with self-serve options.

Our plan isn't just about technology; it's about building trust, transparency, and empowerment with a modern, digitally enabled client experience that supports New Brunswick communities, with a focus on accessibility and service excellence.



### PRIORITIZING CRITICAL CARE

At WorkSafeNB, we're dedicated to improving client services by focusing on individuals and creating personalized experiences. In 2023, we began exploring how this could apply to our Pensions and Long-term Disability service model. We're now launching two key initiatives: specialized care for critical injuries and a new approach for long-term disability (LTD) clients.

While still in the early stages, we're confident this new approach will enhance the client experience for both new and long-term clients. We recognize that

clients with severe workplace injuries have specific needs, requiring an immediate response, upfront support for themselves and their families, as well as a one-to-one relationship with a case manager to help them navigate throughout their recovery journey.

Simultaneously, we're updating medical aid access and payments for our LTD clients who don't require such a high touchpoint with prompt and quality service. Our goal is to offer segmented, personalized services for critical and long-term care needs.



## THE PEOPLE WE SERVE

### STRENGTHENING CLIENT EXPERIENCE: OUR ENQUIRIES TEAM DELIVERS

The Enquiries team had a standout year in 2023, showcasing significant improvements in service delivery metrics that directly impact our clients, including injured workers, employers, and the public. As the first point of contact for our clients via phone, and handling nearly 50,000 incoming calls a year, their role in shaping a positive client experience cannot be overstated.

One notable achievement was the team’s increased responsiveness. In 2022, they answered 42% of accepted calls within the 20-30 second service standard. In 2023, this figure surged to an impressive 73%. Moreover, the team successfully reduced the average wait time to answer calls from 2 minutes and 52 seconds in 2022 to just 51 seconds in 2023, which directly benefits our clients by reducing their waiting times and providing quicker access to the support they need.



“Our team understands the important role we play in shaping the clients’ experience,” noted Shawna Wallace, Manager of Enquiries. “Their focus on continuous improvement is admirable and contributes significantly to our overall service quality, directly benefiting injured workers, employers, and the public.”

These achievements underscore our commitment to delivering exceptional service and enhancing the client experience for all stakeholders. The Enquiries team’s efforts in 2023 set a strong foundation for continued success and reinforces our reputation as a trusted partner, dedicated to effectively meeting our clients’ needs.

### NEW CLIENT SERVICE AGENTS MAKING A DIFFERENCE

In our ongoing commitment to enhancing customer service and ensuring seamless support for our clients, WorkSafeNB was pleased to introduce a new role to help clients better navigate the claims process: client service agents.

**By providing precise information quickly to workers, employers, and stakeholders, our client service agents enable the processes of a workers’ recovery and enable them to remain at or return to work with the support they need.**

These dedicated professionals play a crucial role in providing superior client service by facilitating the claim entitlement process that includes medical aid, loss of earning entitlement, and more. Through timely and accurate communication, as well as gathering essential information, client service agents streamline administrative tasks, making the experience less daunting for workers and employers.

By providing precise information quickly to workers, employers, and stakeholders, our client service agents enable the processes of a workers’ recovery and enable them to remain at or return to work with the support they need.

In 2023, these agents responded to an impressive 3,884 inbound client calls and reached out to an additional 2,403 clients.

WorkSafeNB’s mission is to collaborate with all stakeholders to design, build and manage an effective continuum of safety and care, and our client service agents play an integral role to ensuring our clients receive timely assistance.



# SAFETY AND CARE

Shanna Parker is celebrating a new career path, graduating at the top of her class at NBCC Miramichi this year. And she's grateful to WorkSafeNB for the support on her journey of recovery leading to that new path.

Becoming an educational support worker at 40 wasn't something she'd have guessed for herself 10 years ago.

Parker had been working as a correctional officer for more than a decade when the psychological toll of witnessing the institutional violence became too much.

"It was cumulative, one after another, but there was one particular incident in July 2018, a violent episode occurred that came back to me over and over," she said. "I had been caring for an offender that had been assaulted badly and I stayed with them right until the ambulance came."

In the moment, Parker didn't think the incident had affected her. For months after, she continued to go to work. But as time went on, she stopped feeling safe at work.

"Things started deteriorating. I had negative, intrusive thoughts about violent events I'd experienced, but especially that one event. It came back to me in dreams. I became anxious at work."

By November, she said she'd reached her breaking point. And preparing herself to go to work one day she said she became disassociated and knew she could not carry out another shift.

Once she got there, she approached her coworker about her concerns, who was immediately worried by the state she was in.

"They took one look at me and said, 'OK we need to get you some help.'"

Parker said she was grateful to WorkSafeNB for the support she felt right away.

“My case manager was amazing. She took me seriously and was the first person who said, ‘I’m sorry this is happening to you.’”

She felt she truly had a team behind her with her case manager, occupational therapist and psychologist.

“They were telling me it was about baby steps, what you had to do to get through today. How are you sleeping, getting that next meal... What are you doing for self-care. Because I learned that I can’t take care of everyone if I’m not taking care of myself.

“At that point it was hard to get out of bed, I was having trouble taking care of my children. They worked on helping me get back to myself. I had a lot of success with them. They were truly wonderful.”

For Parker, that self-care included gardening, getting outdoors with her husband and sons, restoring an old '79 Firebird, and learning Reiki meditation.

In those early stages of recovery, Parker had her sights set on returning to work as a correctional officer. The following summer her WorkSafeNB team began looking at ways to support her in that goal.

She began talking with her psychologist about what had happened and what going back to work would look like. Her occupational therapist asked her to run through the routines of preparing to go to work in the morning, like putting her work bag and boots at the door and thinking about how it made her feel.

“I worked so hard in that career. I didn’t want to give up the pension, the benefits,” she said. “I had a BA in Psychology. I worked as research assistant for a professor doing research for correctional services going into jails. When I started as a correctional officer, I only meant it to be temporary, but I ended up enjoying it and it drew me in. I tried so hard to return.”

Despite the big strides in her recovery, in the end the worry and stress she continued to feel over the violent setting of her role forced her to leave the job she once loved.

“I had to grieve that. Move from rehabilitation to grieving loss, and shifting my focus to ‘now what?’ It was a pivotal moment in my recovery.”

Through WorkSafeNB’s Workforce Re-entry program she began to consider new options. WorkSafeNB arranged for an aptitude training test that directed her



to a passion she’d never considered as a career until then – the field of education.

“I loved leading and teaching. I had done a lot of stuff with the Sea Cadets. And suddenly I was excited about my next step and my future.

“I was almost 40 at that point. But everyone was supportive. It felt empowering. The approach my team at WorkSafeNB was taking was to put all the power in my hands and they would help me do whatever I wanted to do. Coming from a place of feeling so powerless until that point, it was incredible to have that support.”

Parker loves that her current career will allow her to show her nurturing side and the potential to make the everyday lives of the children she works with better.

“I am so excited to work with them in a way I never felt excited in my last job. It’s something I didn’t know I was missing in my life until I found it.”

Graduating in June at the top of her class and nominated as valedictorian in her EA program, Parker said it’s a moment of true celebration for her whole family.

“My oldest was just starting school when this happened. They don’t really remember me as a correctional officer,” she said. “But we talk about the transition and me wanting more joy.

“When I got a placement at their school, they were so excited. They are really proud. The last day of school we celebrated. They will be at my graduation, so they can see that when I couldn’t play because maybe I was writing a paper, this was the sacrifice. It was a group effort, and we’ll celebrate it together.”

## FOCUS AREA

# PREVENTION



**TOGETHER, WE'LL PREVENT WORKPLACE INJURIES, ILLNESSES, DEATH AND DISABILITY.**



Prevention is the cornerstone of our strategic plan, driving our efforts with steadfast commitment. We're fully determined and dedicated to preventing workplace injuries and fatalities from happening. And it's not just about preventing these tragedies from occurring, but also about reducing the impact of workplace

injuries by preventing disability during recovery. We provide effective programs and support to help prevent injuries, illnesses, and disabilities. With our Prevention focus, we empower employers and workers to take practical steps to help make New Brunswick the safest place to work.

## OBJECTIVES



**Strengthen accountability and effectiveness by offering the right services, at the right time and place, delivered by the right people.**



**Influence a culture of safety, stay at work and early return to work in New Brunswick workplaces.**



**Leverage the capabilities, expertise and accessibility of our service provider networks and strategic alliances.**



# PREVENTION FOCUS AREA



## KEY STRATEGIC MEASURES

### HEALTH AND SAFETY INDEX

2021	2022	2023
(4.9%)	3.7%	11.1%

The Health and Safety Index (HSI) measures the overall health and safety of New Brunswick’s workplaces. It considers four components – prevention, empowerment and workplace culture, enforcement, and injuries – and 12 health and safety metrics.

The components are weighted and combined to reach the single index measure. The HSI offers us a more complete picture of progress on occupational health and safety than individual metrics and helps us decide where to concentrate our efforts.

The annual HSI target is a simple one – a positive rate of change.

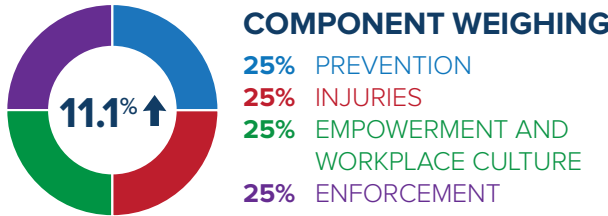
The HSI was developed by WSIB Ontario, based on best practices, and modelled on well-known indices such as the United Nations’ Human Development Index. WorkSafeNB adopted it in 2019 and, in 2022, we updated the HSI to better reflect

changes in our province’s health and safety. We reduced the five core groups to four by combining empowerment and workplace culture. Each component is equally weighted at 25% and includes multiple performance indicators.

In 2023, HSI measures 11.1%, far exceeding our target of a positive rate of change. This was primarily driven by:

<b>COMPOSITE ORDER SCORE (COS)</b>	<b>- 5.90</b>
<b>SEVERITY FREQUENCY</b>	<b>- 2.31</b>
<b>INJURY FREQUENCY</b>	<b>- 1.88</b>

We are so proud of our province’s workplaces’ commitment to health and safety and thank them for their exemplary efforts in realizing a significant improvement in the HSI. And we’re proud of our efforts too – it means the work we are doing makes a difference. Working together, we are truly making New Brunswick the safest place to work!



### PERFORMANCE INDICATORS



- PREVENTION**
- ▶ Safety support
  - ▶ Mental health
  - ▶ Prevention activities



- INJURIES**
- ▶ Injuries
  - ▶ Severity
  - ▶ On benefits



- EMPOWERMENT AND WORKPLACE CULTURE**
- ▶ Worker environment
  - ▶ Awareness
  - ▶ Leadership
  - ▶ Workplace culture



- ENFORCEMENT**
- ▶ Composite order score\*
  - ▶ Proportion of non-planned inspections

\*The composite order is based on severity. For example, stop work orders are given a higher value than administrative orders.

# PREVENTION FOCUS AREA

## KEY STRATEGIC MEASURES

### PERCENTAGE OF WORKERS OFF CLAIM

#### AT 90 DAYS

2021	2022	2023
66.2%	69.1%	<b>66.6%</b>

#### AT 180 DAYS

2021	2022	2023
81.3%	82.7%	<b>80.4%</b>

At WorkSafeNB, we're all about making a real difference in the lives of injured workers by both promoting a culture of safety while also preventing disability following an injury.

That's why we keep a close eye on how quickly employees return to work after a compensation claim—specifically, we track their progress at the 90-day and 180-day marks.

These early timeframes are crucial because they allow us to evaluate how well our efforts are helping injured workers navigate their recovery and successfully reintegrate into the workplace so we can adjust our strategies as required. It's not just about numbers; it's about ensuring that injured workers get the support they need when they need it most.

While we've noticed a slight gain in the percentage of workers still on claim at these intervals, our focus on addressing high-risk injuries and working closely with different industries has paid off. We've got some great success stories to share, which we'll dive into further in this report.

We're confident that we're heading in the right direction and making a real impact. Our goal is to keep improving those 90- and 180-day metrics across the board, as the measures are a piece of our ongoing commitment to supporting workers and preventing workplace disability.



## PREVENTING WORKPLACE INJURIES AND ILLNESS

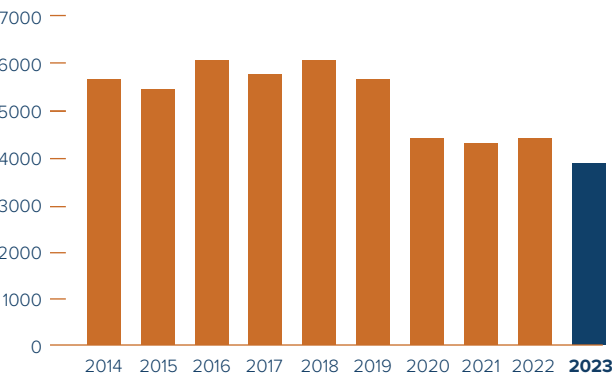
### NEW BRUNSWICK LEADS THE WAY: HISTORIC LOW FOR LOST-TIME INJURIES

According to the latest data from the Association of Workers' Compensation Boards of Canada (AWCBC), New Brunswick now proudly holds the title for the lowest LTI frequency in the entire country. This means fewer New Brunswickers are getting hurt on the job, and it's all thanks to the collective effort of everyone involved. This remarkable achievement highlights the progress we've made together.

This isn't just a statistic. It's a testament to the hard work and collaborative efforts of our province's workers, employers, and safety associations – a true cause for celebration!

#### LOST-TIME INJURIES

As at March 31, 2023



While the LTI frequency for self-insured employers, which consists mostly of government departments and agencies, continues to be higher than with assessed employers, we continue to see a downward trend for self-insured employers. In 2023, the LTI for self-insured employers decreased from 2.9 to 2.3.

Over the past few years, we've seen a steady decline in LTIs, dropping from 1.3 in 2020 to a remarkable 1.1 in 2023. While hitting an LTI of 1.1 is a substantial accomplishment, our commitment doesn't end here. Our goal remains zero workplace injuries and we are determined to keep pushing the boundaries until every worker returns home safe and sound.

By preventing injuries, we're not only keeping our workforce healthy and happy, but we're also fostering an environment where our businesses can thrive. Together, we'll continue to raise the bar for workplace safety, making New Brunswick the safest place to work.

#### 2023 TOP INJURIES



- BACK, INCLUDING SPINE, SPINAL CORD
- SHOULDER, INCLUDING CLAVICLE, SCAPULA
- MULTIPLE BODY PARTS
- LEG(S)
- FINGER(S)
- EAR(S)

## PREVENTING WORKPLACE INJURIES AND ILLNESS

### REMEMBERING THOSE WE'VE LOST: REFLECTING ON WORKPLACE FATALITIES AND THE DAY OF MOURNING

No one heads to work expecting it to be their last day, yet tragically, in 2023, 14 New Brunswickers didn't return home. These were more than statistics—they were people with stories, laughter, and dreams for the future cut short, leaving behind devastated families, friends, and colleagues. Each loss reminds us of the crucial work needed to prevent these tragedies.

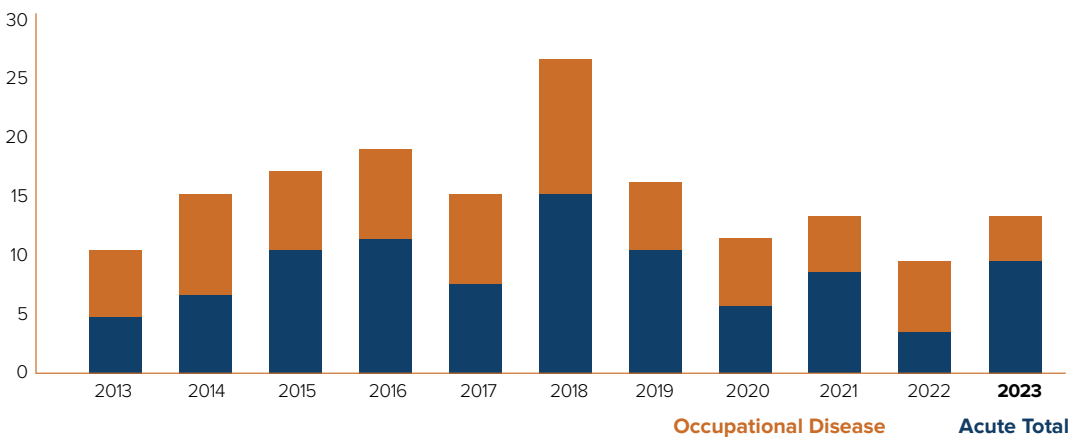
Of the 14 workplace fatalities in 2023, 10 deaths were a result of acute fatalities, which are sudden, such as a fall or crushing injury. The acute fatalities occurred in:

- ▶ Transportation and Warehousing
- ▶ Construction
- ▶ Wholesale Trade
- ▶ Public Administration
- ▶ Manufacturing

- ▶ Arts, Entertainment and Recreation
- ▶ Utilities

Four workers died from occupational disease. Because many occupational diseases, such as mesothelioma and silicosis, manifest gradually, they are often diagnosed several years after the first exposure. And while measures have been in place for years, and even decades, to prevent occupational disease, we continue to see these deaths because the necessary control measures needed to mitigate diseases may be inadequate. We continue to work with the government to update occupational hygiene legislation that will better protect workers and prevent new occurrences of occupational disease.

### FATALITIES



Acute fatalities most often happen at a workplace. Examples include falls, crushing injuries, drownings, and motor vehicle collisions. These deaths occur on the date of the accident or soon after.

Occupational fatalities are caused by exposure to a health hazard, such as asbestos or silica.

## PREVENTING WORKPLACE INJURIES AND ILLNESS

### RENEWING OUR COMMITMENT

April 28 is a solemn day – the National Day of Mourning – where we pause to honour those whose lives were taken because of a workplace incident or illness. At WorkSafeNB, we lower our flags and hear impactful stories directly from brave individuals like April McCarthy’s, whose family was forever changed by a workplace tragedy. It’s a day of reflection, a reminder of why our vision to make New Brunswick the safest place to work is so crucial.



**April McCarthy**

We’re not alone in our remembrance. Communities across New Brunswick – from Saint John to Miramichi – join us in paying tribute, emphasizing our shared commitment to safety and our collective vision for a future free from preventable workplace tragedies. WorkSafeNB team members attend many of the ceremonies, laying wreaths and honouring those we lost.



## PREVENTING WORKPLACE INJURIES AND ILLNESS

### A FAMILY FULL OF HOPE

Diane Henderson's two sons, Eric and Michael, are her pride and joy.

Diane and her boys were living in Ontario, where her family remains, but in 2012 left the province, looking forward to a new life in New Maryland. Eric was 20 and Michael was 12.

The popular brothers thrived in New Maryland, active in sports, downhill skiing, hunting and gaming. Michael attended Bliss Carman Public School then Fredericton High School, where he was proud to play football for the Black Kats. Eric had finished school by the time the family had moved and secured a position as a baker with Tim Hortons soon after arriving in New Brunswick. Then, within a couple months, Eric joined the UBCJA Local 1386 Carpenters Union and started work with Springhill Construction.

“Eric and Michael had a normal brother relationship. They got along, they fought, they teased, they loved. Michael looked up to Eric. He wanted to be around his brother all the time. If I was upset with one, they were both upset at me for it.”

It was no surprise that Michael was excited to join his big brother at Springhill Construction as a union member once he graduated (he had completed a work-term with them while attending high school). It would be a fateful decision, leaving one son dead, and a brother and mother inconsolable in their grief.



**Through her strength and advocacy, Diane hopes to raise awareness about workplace safety and prevent similar tragedies from occurring.**

#### THE INCIDENT

Just one month out of high school, on August 16, 2018, Michael was working at the Barkers Point Wastewater Treatment Facility in Fredericton as a first-year carpenter in a confined space. He had no safety gear as neither his supervisor nor the company deemed the area as a confined space.

Michael was cleaning debris out of the bottom of the hole that was approximately eight feet deep and four feet wide. A pipe inserted about halfway into the hole left about two feet to work in. A large heavy rubber plug had been installed into the pipe to stop the

**“ I was in disbelief, in shock. I just wanted to get home to be with Eric,... I just kept praying that Michael lived through this and it wasn't real. I would never wish this pain on anyone.”**

**Diane Henderson, mother**

## PREVENTING WORKPLACE INJURIES AND ILLNESS



trickling of rainwater from entering the hole. The plug was not installed by a competent person nor was it installed to the manufacturer specifications because it was meant to be a temporary measure.

With the plug installed, the supervisor decided to perform a water test. The supervisor placed a hose into a manhole and turned on water from a fire hydrant. The water was leading to where Michael was working. Michael was not told this water test was taking place nor that he should not return to the hole after lunch. So he did return to work after lunch and within minutes thousands of litres of water forced the plug out of the pipe and pinned Michael in the hole.

“I was told he would not have known what hit him,” Diane said. “The water was flying at least two feet higher than the eight feet deep hole. My son drowned instantly.”

WorkSafeNB’s investigation found that the plug had not been installed by a competent person, had not been installed as per manufacturer specifications, had not been braced, and that Michael, who was an apprentice carpenter, was not trained to install the plug or work in a confined space.

Eric was working on a concrete wall in a different area than Michael, nearly 16 feet high. He was a third-year apprentice at the time and was working with a journeyman carpenter that day. Both testified in court that they were unaware of a water test being performed. Eric said he heard a loud popping noise and looked down and saw water flying out of the hole where his brother was working.

“He said he rushed down the scaffolding, not using the steps, and not really sure how he didn’t severely hurt himself. He ran over to his brother as fast as he could and jumped into the hole onto the bladder,” she said.

By this time Michael was fully submerged under 35,000 litres of water. Eric was feeling for his brother’s mouth and going under water to try to give him air. The supervisor threw Eric a jackknife to try and puncture the bladder, but the rubber was too thick. The rescue team then showed up and removed Eric from the initial site.

### THE AFTERMATH

Eric, having witnessed his brother’s death, now had the heart-wrenching task of having to call his mother, who was vacationing out of province, with the tragic news. The news that is every parent’s worst nightmare.

## PREVENTING WORKPLACE INJURIES AND ILLNESS

“I was in disbelief, in shock. I just wanted to get home to be with Eric, as I was in Ontario with my boyfriend scheduled to drive back the next day. I just kept praying that Michael lived through this and it wasn’t real. I would never wish this pain on anyone,” she said.

The family was devastated, inconsolable in their grief.

“Eric tried to rescue his brother, but there was no way he could. Eric suffers from survivor’s guilt and PTSD. He wished he could have traded places with Michael. Like Michael, he had career plans, and life plans, but Eric couldn’t go forward with his.

“He lost himself. He hated himself. He didn’t know how to care about himself anymore. He turned to drugs and alcohol to try and “not feel” anymore. He had a hard time to shower with the water running down his face. He would end up having panic attacks and couldn’t breathe. Eric loved going to the beach and mentally was not able to do that any longer.”

Criminal charges, brought against the company and the supervisor, compounded the grief, by prolonging it.

“Eric had to testify in court during the trial as a witness for the Crown prosecutors. He did not want to do that – to relive that day – but he did, and everyone was so proud of the way he handled himself.”

As would be expected, the incident took a tragic toll on Diane as well. She lost a son – still a teenager - and was afraid of losing another. “I suffered depression and anxiety, had nightmares. It was so hard, trying to face each day knowing you had to get out of bed.

**“I feel every day that this should not have happened, that it was 100% avoidable. It’s hard to think that Michael never stood a chance that day.”**



“While I was grieving for Michael I was worried for Eric, who was spiralling downward and fast. My boyfriend and I, Armond Daigle, looked out for Eric and my thoughts were, ‘I will not lose another son!’”

Diane also suffered panic attacks and felt scared to answer her phone when she saw Eric’s name on the screen. “I would panic as it took me back to that horrifying day when I received the call from Eric. Most times, I would give my phone to Armond, and he would answer.”

Their grief was further deepened by COVID, which prevented Eric and Diane from the comfort of family and friends. Grief counselling provided coping mechanisms – and still does – and Diane found that Reiki helped with her stress and fatigue.



## PREVENTING WORKPLACE INJURIES AND ILLNESS

“I have reached out to Threads of Life who have set me up with a mentor, which helps immensely. I keep in touch with Michael’s friends, and they still reach out to me. We learned together to speak of Michael and to always say his name; remember the fun times we all had with Michael.”

Each year around August 16, on the anniversary of Michael’s passing, Diane, Armond and Eric gather with family and friends to celebrate Michael’s life and memory. His legacy lives on through his impact on those around him, so much so that several of his friends have named their children after him.

“I feel every day that this should not have happened, and it was 100% avoidable. It’s hard to think that Michael never stood a chance that day. This, I will never know how to settle in my mind, and I will never understand how a supervisor could be so careless with others’ lives.”

Diane said that Eric is rehabilitated and doing well. He has gone back to school at NBCC Moncton, excelling in Welding Engineering Technology, and will graduate in June.

“He spends most of his time studying and is loving the course. Each day is still and always will be hard. We speak of Michael every day. He is a part of every holiday and everything we do. We lost a part of us that day that we will never get back. Things get more manageable as time goes on, but our hearts will never fully heal. We are both still in counselling and probably will be for a while. We will keep Michael’s memory alive.”

While reiterating that such an incident should never happen, in the case it does, Diane provides the following advice: “Speak your loved one’s name. Know that it is ok to not want to get out of bed. You will have good days and bad days. Get support from friends and family. Reach out to Threads of Life”.

WorkSafeNB is heartbroken for Diane and Eric, and family, and it is why we must never relent in trying to make New Brunswick the safest place to work.



### **SUPERVISOR SENTENCED IN WORKPLACE DEATH OF 18-YEAR-OLD MICHAEL HENDERSON**

On June 5, 2023, Jason King, a former construction supervisor at Springhill Construction was found guilty of criminal negligence in the death of Michael Henderson. On Sept. 12, 2023, King was sentenced to three years in prison for this crime.

The sentencing followed a 15-day trial by judge alone in the Court of King’s Bench, presided over by Justice Thomas Christie.

The charges, laid in 2020, represent the first time a case of criminal negligence causing death had been pursued in relation to a workplace incident in New Brunswick. Jason King was only the tenth person to be charged with criminal negligence following a workplace death and was only the fourth in Canada to be convicted of this charge.

In his sentencing, Justice Christie found that King failed to meet even the minimum standard of conduct expected of a reasonable site supervisor. King’s lack of legislative compliance, failure to read and understand the site safety manual, failure to read and follow the safety warnings placed on the pneumatic plug by the manufacturer, and failure to have a reasonable rescue plan, all demonstrated King’s marked and substantial departure from a minimum standard and showed a wanton and reckless disregard for Henderson’s safety.

Justice Christie said that King’s actions needed to be condemned and that general deterrence was a key factor in his sentencing decision. Justice Christie wanted to ensure that all other workplace supervisors in New Brunswick understand their responsibility for employees under their supervision.

Springhill Construction had also been charged with criminal negligence in relation to Henderson’s death, but these charges were later withdrawn, and Springhill was charged with an offence under the *Occupational Health and Safety Act* for failing to properly train an employee.

Springhill pleaded guilty on Dec. 15, 2023 and, under alternative sentencing, were fined \$100,000 to be paid to the New Brunswick Community College to set up a scholarship in Michael Henderson’s name.

# PREVENTION FOCUS AREA

## PREVENTING WORKPLACE INJURIES AND ILLNESS

### CONSULTATION AND COMPLIANCE

Our inspections help ensure New Brunswick's workplaces are complying with occupational health and safety legislation. When we identify risks and hazards, we work with that workplace to eliminate those hazards.

Education and awareness are always our first line of defense to ensure compliance. However, our health and safety officers have tools and resources available to ensure compliance for those workplaces who continue to operate unsafely. These include compliance orders and stop work orders, administrative penalties and recommendations for prosecution.

In 2023, our recommendation for charges to the Crown resulted in 13 prosecutions, totalling \$172,800 in fines plus \$100,000 in alternative sentencing, for a total of \$272,800.

### COMPLIANCE BY THE NUMBERS



**6,291**  
TOTAL WORKPLACE  
ACTIVITIES



**3,787**  
INSPECTIONS



**1,445**  
CONSULTATIONS



**818**  
INCIDENT  
FOLLOW-UPS



**55**  
NUMBER OF ADMINISTRATIVE  
PENALTIES



**\$29,400**  
ADMINISTRATIVE  
PENALTIES

### ENHANCING WORKPLACE SAFETY: NEW RESOURCES FOR PREVENTING PSYCHOLOGICAL INJURIES IN NEW BRUNSWICK

To better align with our focus on People. Prevention. Integrity, and to enhance the experience for our team members and clients alike, in 2023 we significantly restructured the Prevention Division.

Especially notable in the new structure was the establishment of a new team of additional health and safety officers, focusing on the prevention of traumatic psychological injuries (TPI). In recent years, there's been a noticeable shift towards reporting more TPIs alongside traditional physical ones. In fact, between 2021 and 2023, the number of accepted TPI claims

at WorkSafeNB increased by more than 60%. This trend underscores the urgent need for a different approach to safety and prevention tools for these unique injuries.

The TPI prevention team is expected to be operational in 2024 and will focus on high-risk industries, providing specialized services with trauma-informed approaches. With TPIs becoming more and more prevalent in New Brunswick's workforce, we are confident that additional resources will contribute to making our workplaces safer in terms of both mental and physical health.

## PREVENTING WORKPLACE INJURIES AND ILLNESS

### ANNUAL CONFERENCE INSPIRES AND EDUCATES

Education is a primary tool of prevention, and our Annual Health and Safety Conference is a primary means of education.

The challenges brought on by COVID forced us to go online for our Health and Safety Conference in 2020 and 2021, and cancel it in 2022, but in 2023 WorkSafeNB was excited to host our conference once again in person, and our stakeholders were eager to attend.

From May 10-12, the Fredericton Convention Centre welcomed 644 registrants to our conference – a record-breaking attendance! The program featured 29 sessions, two plenary sessions and a trade show with 26 exhibitors.

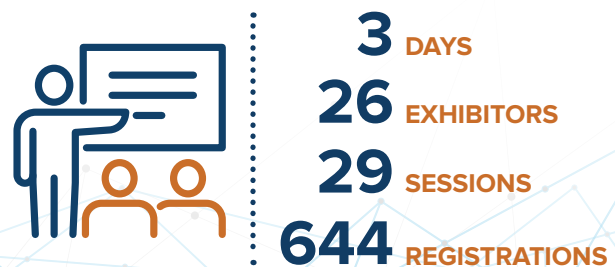
Burn survivor and workplace safety and culture expert Spencer Beach opened the conference, speaking about the “Culture of Care.” Beach shared his compelling and emotional story that brings home why workplace health and safety must be priority #1, and why workplace behaviours must change. Beach overcame severe hardship, including addiction and depression, after being severely burned in a workplace accident that left him with a 5% chance of survival.



An equally powerful and inspirational speaker closed our conference. Four-time Olympic gold medalist and Hockey Hall of Fame member, Dr. Hayley Wickenheiser, is considered a leader both off and on the ice. Her presentation “Buck It,” encouraged delegates to look for opportunities “to buck the status quo when doing so means doing the ‘right’ thing versus following a herd mentality, while always prioritizing health and safety.” She also stressed the importance of maintaining a healthy balance in work and play.

Other sessions addressed topics such as hazard management, understanding assessment rates, creating health and safety policies, supervision, legislative updates, and effective JHSCs.

The 2024 conference will be held in Fredericton Oct. 2-4.



## PREVENTING WORKPLACE INJURIES AND ILLNESS

### ANNUAL CONFERENCE INSPIRES AND EDUCATES

While making New Brunswick the safest place to work is our purpose – our vision – we can't do it alone. We rely on the support and leadership of individuals and organizations to help us. That's why each year at our Health and Safety Conference we recognize outstanding efforts of health and safety leaders through our Safety Star Awards.

#### OUR 2023 SAFETY STAR AWARD RECIPIENTS



- ▶ **SHELLEY POIRIER**  
Senior safety advisor with the New Brunswick Construction Safety Association  
(see profile on page 18)
- ▶ **CLOW CANADA**
- ▶ **FREDERICTON PLAYHOUSE**

“It's incredibly important we take a moment to truly celebrate and thank these safety leaders. They go above and beyond to influence culture and change behaviour – working diligently to ensure their colleagues go home safely to their families at the end of the day.”

**Tim Petersen**  
President and CEO



**Congratulations to the 2023 Safety Star Award recipients! From left: Tim Yerxa, executive director, Fredericton Playhouse; Shelley Poirier, senior safety advisor with the New Brunswick Construction Safety Association; and, Rick Benoit, vice-president and general manager, Clow Canada.**

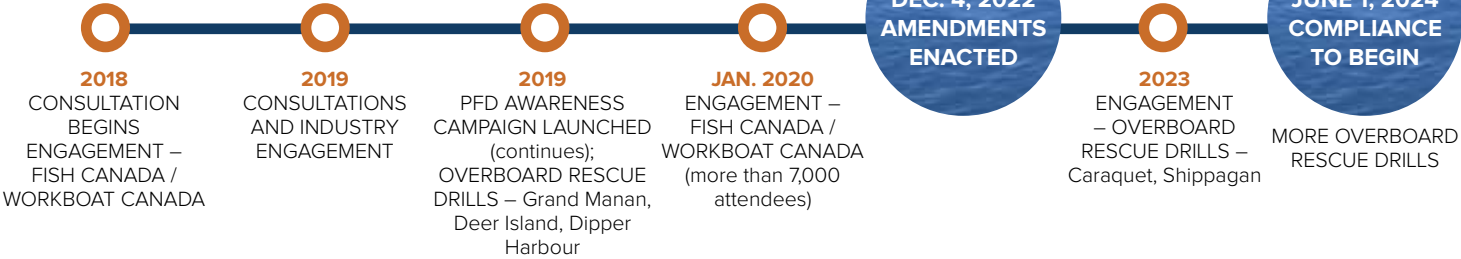
Is there a Safety Star in your workplace? Check out our website for the call for nominations.

# PREVENTION FOCUS AREA

## PREVENTING WORKPLACE INJURIES AND ILLNESS

### SAFETY AT SEA

THROUGHOUT 2019-2022, CONTINUE TO PROMOTE PFD USE AND FISHING VESSEL SAFETY THROUGH SOCIAL MEDIA AND PAID ADVERTISING.



WorkSafeNB was thrilled when life-saving legislation to improve safety in the high-risk fishing industry was enacted in December 2022. The legislation included fishing vessels as a place of employment under the *Occupational Health and Safety (OHS) Act*. This means boat owners and their captains are responsible for their crews’ health and safety, just as with any other employer. The legislation also makes it mandatory for workers to wear life jackets or personal flotation devices while aboard vessels.



While enacted in 2022, compliance will not come into effect until June 1, 2024. Throughout 2023, we continued to engage with the fishing industry, to ensure awareness of their rights and responsibilities under the *OHS Act*.

In the fall we hosted overboard rescue drills in Caraquet and Shediac. The drills demonstrate different scenarios and types of rescue devices to rescue a person who has gone overboard.

We’ve developed several resources such as PFD fact sheets, a fishing vessel safety checklist, and posters, all available on our website in a portal dedicated to fishing safety.

Although enacted in 2022, WorkSafeNB will not begin enforcement of the legislation until June 2024 to allow the industry time to prepare for and understand their legal obligations as they apply to workplace health and safety. Throughout 2023-2024, we will continue to engage with the industry, including information sessions, a Q&A section added to our website, and overboard rescue drills.

# PREVENTION FOCUS AREA

PREVENTING WORKPLACE INJURIES AND ILLNESS

## OVERBOARD RESCUE DRILLS



### WORKSAFENB CONTINUES TO PARTNER IN ANNUAL ROAD WORKER SAFETY AWARENESS CAMPAIGN

WorkSafeNB once again partnered with the provincial government and other industry partners to remind motorists to slow down, heed posted speed limits, and exercise caution when driving in and around construction zones. WorkSafeNB has collaborated in the campaign since 2013.



From left: Chris Hickey and Cherie Haas, highway safety enforcement, Department of Justice and Public Safety; Evan Campbell, director of compliance and enforcement, WorkSafeNB; Tom McGinn, executive director, New Brunswick Road Builders and Heavy Construction Association; Transportation and Infrastructure Minister Jeff Carr; Roy Silliker, general manager, New Brunswick Construction Safety Association; Randy Chase, president, New Brunswick Road Builders and Heavy Construction Association; Darren Knowles, highway safety enforcement, Department of Justice and Public Safety; and Cst. Bruce Pelletier, Tactical Traffic Enforcement Unit, RCMP.

## PREVENTING WORKPLACE INJURIES AND ILLNESS

### WORKSAFENB FOCUS ON SAFETY VIDEO CONTESTANTS RECOGNIZED NATIONALLY

Last year's annual WorkSafeNB Focus on Safety student video competition served as an important opportunity for New Brunswick youth to showcase creativity and knowledge on workplace safety and spread the message among their peers nationwide.

The contest challenged high school students to create a two-minute original video that captures the importance of working safely. WorkSafeNB received a record number of applicants from high schools around the province.

Lilianne Gagné and Zoe Robichaud from École Mathieu-Martin, Dieppe, took home top prize for their video, "Sécurité au travail," earning \$1,000 and a matching prize for their school.

Second place went to "La sécurité notre priorité", by Maxime Caissie and Ophélie Robichaud- École Louis-J.-Robichaud, Shediac and third place went to "Premier jour au travail", by Stanislav Korobeinikov- École Sainte-Anne, Fredericton.

The winning video also secured third place in the Canadian Centre for Occupational Health and Safety (CCOHS) national Focus on Safety Youth Video Contest. This achievement underscores the significance of initiatives like Focus on Safety to engage youth in the topic of their own safety on the job, especially considering that young workers face increased risks of injury.



Watch all three winning videos on WorkSafeNB's YouTube channel!



## PREVENTING WORKPLACE INJURIES AND ILLNESS

### SAFETY THROUGH LEGISLATION

We regularly consult New Brunswick's workers and employers on legislative amendments we plan to propose to the Government of New Brunswick that will help make New Brunswick the safest place to work. In 2023, legislative changes were enacted to the following:



#### FIRST AID REGULATION

New Brunswick's First Aid Regulation was amended to help harmonize with national standards for workplace first aid training.

New Brunswick was the first jurisdiction to proceed with steps to align its regulations, which included:

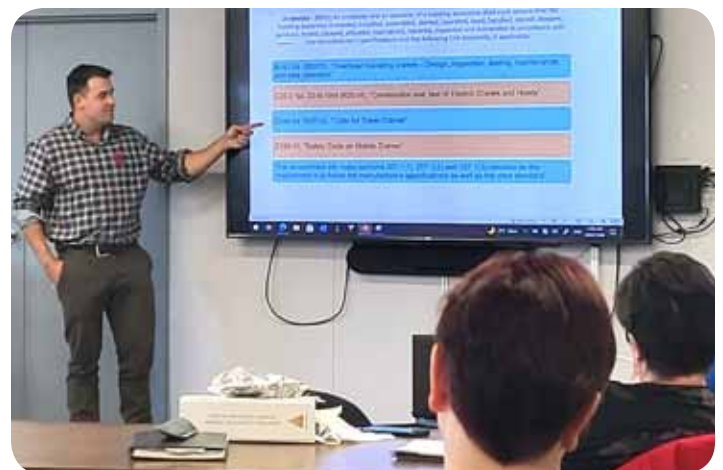
- ▶ Alignment with the CSA standards:
  - Z1210-17, First aid training for the workplace – curriculum and quality management for training agencies
  - 1220-17, First aid kits for the workplace
- ▶ A new provision that workplace first aid trainers must be approved by WorkSafeNB.
- ▶ An amendment that medical practitioners, nurses, and paramedics may be designated as first aid providers without completing the first aid training referred to in the regulation.
- ▶ Amending the required contents of first aid kits to comply with the CSA standard.



#### GENERAL REGULATION 91-191

General Regulation 91-191 underwent and continues to undergo numerous legislative amendments to enhance health and safety in New Brunswick workplaces. In 2023, amendments from the Phase II review are now in effect, impacting the following areas:

- ▶ Confined space
- ▶ Critical lifts
- ▶ Welding
- ▶ Electrical Safety
- ▶ Pedestrian safety (near forklifts)
- ▶ Lockout for piping
- ▶ Hoisting apparatus standards updates
- ▶ Laboratory safety
- ▶ Hot tapping



**Evan Campbell, director of Compliance and Enforcement, discusses regulator amendments with employees of the Department of Transportation and Infrastructure.**

## PREVENTING DISABILITY

While preventing workplace injuries and illness is our priority, we are also committed to preventing disability when it does occur.

Prevention also means minimizing the impact of injuries and illness and supporting a speedy return of injured workers back to work, but only when it's safe to do so.

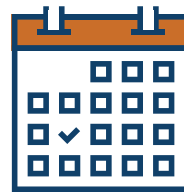
We know that returning to work after an injury is a win-win situation for both the worker and the employer. Studies reveal that engaging in work can quicken recovery for injured workers. For employers, it means sustained productivity, retaining talent, reduced recruitment costs and decreased claim costs, thereby potentially lowering insurance premiums. It's a collaborative effort driving success and we are proud to highlight other critical indicators of success and 2023 initiatives in preventing disabilities outlined below.

### OPEN CLAIM DURATION CONTINUES TO DROP

We can gauge the success of our efforts in preventing disability by the average time it takes to resolve an open claim.

In 2022, the average resolution time for open claims decreased for the first time in more than 10 years, from 331 days in 2021 to 295 days. This significant achievement was attained once again in 2023, when claim duration decreased to 285 days, proving that initiatives such as Stay at Work, Early Intervention and Return to Work, and Care Closer to Home are working. Several factors have contributed to this positive change, such as working collaboratively with employers to provide opportunities for injured workers to continue working through modified duties and accommodations, improving the efficiency of claim assessment, using sector-specific case

management, intervening early, and providing personalized care. These efforts not only reduce claim duration but also enhance the overall well-being and productivity of our workforce, fostering a positive impact on individuals, their families, communities and the province by enabling safe and timely return to work.



**331 DAYS**

2021

**295 DAYS**

2022

**285 DAYS**

2023

## PREVENTING DISABILITY

### TIME TO FIRST DECISION CONTINUES TO SUPPORT DISABILITY PREVENTION

Experiencing a workplace injury can be stressful, especially when it comes to getting timely treatment and compensation. We also know that the sooner a worker receives the support and treatment necessary, the likelier they are to safely return to work and prevent long-term disability. Every day matters.

That’s why we’ve been focused on speeding up the process of handling claims and making timely decisions. Last year, we significantly reduced wait times, bringing the average time to make the first decision on an application down from 53 days in January to just 34 days by December. This improvement applies to all types of decisions, from straightforward to more complex cases.

This year, we’re thrilled to report that we’ve continued to yield positive results. The average time to first decision now stands at 30 days for all injury types, demonstrating our commitment to efficient and effective claim handling. Specifically, for Type 1 injuries, which are those with a clear cause, we’ve maintained an outstanding average of just nine days from registration to decision, underscoring our dedication to quick resolutions. Approximately 50% of claims fall under Type 1, where causation is clear, allowing for quicker decisions.

Our revamped queue management system, introduced last year, continues to play a vital role in assessing and assigning claims to specialized teams, ensuring a best-practice approach to every case. Looking ahead to 2024, we remain committed to finding new ways to further improve our processes.

### GETTING BACK IS PART OF GETTING BETTER

In 2023, WorkSafeNB launched an inspiring ad campaign – Getting Back Is Part of Getting Better – to highlight work’s crucial role in recovery.

Returning to work is critical to recovery from workplace injury, and WorkSafeNB is shining a light on this important message. The campaign reminds workers and employers across New Brunswick that work plays a vital role in the healing process.



## PREVENTING DISABILITY

### GETTING BACK IS PART OF GETTING BETTER

In 2023, more than 3,800 New Brunswickers lost time from work due to a workplace injury. While we have made great strides in recent years in our return-to-work efforts and results, every single day matters, and we can't succeed alone. Creating safe and sustainable work arrangements for injured workers takes teamwork. It takes a collective effort from workers, employers, and health care providers to shift the focus from limitations to abilities, and that's where the real impact is felt.

Going back to work not only brings financial stability but also keeps people active and provides a renewed sense of purpose. It's a win-win situation, as research shows that work can help speed up the healing process. Employers also reap the benefits of return-to-work programs – they keep productivity up, retain skilled and experienced workers, reduce the costs of recruiting new talent, and lower claim costs that can lead to lower assessment premiums. So, it's truly a team effort that leads to success. The campaign features a variety of workers in construction, manufacturing, health care and food service, highlighting safe and early return to work in multiple settings.

“It is so important to remember that recovery is a gradual process, and that getting back into action, at work, at home and in the community is an integral part of healing,” said Dr. Paul Atkinson, professor at Dalhousie Medicine, New Brunswick and WorkSafeNB's chief medical officer. “The

connections, purpose and engagement, as well as the financial benefits of being active, are all important.”

The ‘Getting back is part of Getting Better’ campaign, was developed by WorkSafeNB in collaboration with other Atlantic workers' compensation organizations. Our

2023 campaign included social media, online and television advertising. We shared our campaign with our partners through our e-newsletters, and had the campaign included as part of a content loop for more than 325 digital screens located in public and staff areas across Horizon Health Network facilities.

We also featured the campaign at our Health and Safety Conference in print and digital content, a display booth and even named one of the conference sessions, a panel focused on safe and early return to work, after the campaign. We leveraged our employees as advocates, providing them with custom email signatures, and encouraged them to share the campaign videos with their social media networks.



**It is so important to remember that recovery is a gradual process, and that getting back into action, at work, at home and in the community is an integral part of healing.** – Dr. Paul Atkinson, WorkSafeNB's chief medical officer and professor at Dalhousie Medicine, New Brunswick

## PREVENTING DISABILITY

### WORKSAFENB SUCCEED PROGRAM CONTINUES TO SUPPORT QUICKER AND SAFE RETURN TO WORK

Treating TPIs can be challenging because they significantly differ from physical injuries and often require longer recovery periods. We're proud of our innovative treatment approach called SUCCEED, which launched in 2022 and focuses on understanding the unique challenges and difficulties faced by workers with TPIs. We're pleased to report that we are already witnessing measurable results.

When comparing 2022 return to work results for clients with a TPI 180 days after claim registration to 2023, we saw a 7% improvement year over year. This success is even further boosted in certain industries – public administration saw a 13% jump and construction and manufacturing increased by 22%.

The data is conclusive that SUCCEED is serving a critical purpose – clients are feeling supported, receiving access to the care they need quickly, and ultimately returning to work.

With SUCCEED, a worker with a TPI can be referred before the claim is accepted, allowing treatment to begin within three weeks of the request. With an approved group of service providers, the worker receives up to six 90-minute sessions over six weeks. These sessions can be done in-person, virtually, and in both official languages to ensure treatment is accessible across the province.

**This early intervention approach... is empowering for the individual. It signifies resilience, strength, and a commitment to overcoming challenges.**



#### PHASE 1

Educates the worker on Traumatic Psychological Injury and on tools for self-regulation, normalizing common reactions to trauma and learning not to avoid the trauma.



#### PHASE 2

Helps the worker develop a structured process to work through traumatic events and learn skills to work through future traumatic events.



#### PHASE 3

Helps the worker develop skills to reconnect with others, including possibly their workplace, and continue to work through other traumatic events through the skills they have learned.

From June 2022 to March 2024, 299 injured workers were referred to the SUCCEED program and more than 50% of participants experienced clinically significant improvement.

For workers whose claims are accepted, once they complete the SUCCEED program, treatment or intervention can continue as needed.

This early intervention approach of enabling the injured workers to return to work following a TPI is empowering for the individual. It signifies resilience, strength, and a commitment to overcoming challenges. It can also serve to inspire others who may be facing similar struggles, demonstrating that recovery is possible, and that seeking support is not a sign of weakness.

We are encouraged by the early results of this program and are sharing our learning with other organizations. Furthermore, for employers promoting the safe return after psychological injuries, the SUCCEED program fosters a supportive and inclusive work environment.

## PREVENTING DISABILITY

### EARLY INTERVENTION ENHANCES RETURN TO WORK SUCCESS FOR HIGHER-RISK CLIENTS



Before establishing the Early Intervention team, high-risk claims were typically managed through a more generic case management approach which works for the majority of our clients. However, their unique needs weren't formally identified and addressed until over 300 days into the claim and often required rehabilitative services at the Workers' Rehabilitation Centre.

We're pleased to share that more people are returning to work quickly

While most injured workers recover and return to work safely, certain factors like psychosocial barriers can hinder the progress of some clients. Therefore, in 2022, we introduced a new offering called Early Intervention under our Claims Management Service Delivery Model. This service identifies and supports clients who are at a higher risk of facing long-term disability and barriers to returning to work.

By identifying workers with specific needs early in their claim process, we can ensure they receive the appropriate care and support, which often differs from the traditional approach. We've formed a dedicated case management team focused on supporting these workers and adjusting their approach according to each client's unique situation.

with this new way of processing claims. In 2023, 262 new claims were identified as having barriers to return to work, and would benefit from this approach to prevent increased and longer-term disability. Of the 262 claims identified, 181 (69%) claims were closed within 180 days. Of the initial claims, only 36 remain active, resulting in 86% of high risk clients being able to return to work following their injury with the services they needed to recover.


The introduction of the Early Intervention team has led to improved experiences and outcomes, with workers recovering sooner and returning to work safely and early. This Early Intervention service works alongside the Care Closer to Home model, which ensures that clients needing rehabilitative services receive care from local providers in their communities. Together, these services have contributed to a decrease in the duration of open claims.

## PREVENTING DISABILITY


### STAY AT WORK SUPPORT

Every year, up to 3,000 New Brunswick workers stay at the workplace while they recover from their injury with no lost-time or on modified duties. To ensure these workers could continue to stay at work as part of their recovery, in 2022 WorkSafeNB introduced Stay at Work Support.

It was a significant shift in our care model that previously had only focused on workers with lost-time injuries. The Stay at Work support team of physiotherapists and occupational therapists uses a three-step care approach:

**STEP 1**   
**STAY AT WORK PLAN**  
▶ Review at-work plan  
▶ Confirm RTW\* expectations

\*RTW – Return to work

**STEP 2**   
**STAY AT WORK PLAN, SUPPORT AND MONITOR**  
▶ Co-ordinate services and transfer to case management  
▶ Review and adjust at-work plan  
▶ Co-ordinate services as needed

**STEP 3**   
**STAY AT WORK PLAN, SUPPORT, MONITOR, CASE MANAGEMENT**  
▶ Create at-work/RTW\* plan  
▶ Regularly communicate with injured worker and employer

In just one year, by identifying worker needs, providing strategic clinical interventions, fostering collaboration with employers, and aligning with service providers, the Stay at Work Support service is showing success, playing a pivotal role in preventing work disability.

In 2023, the Stay at Work Support team supported 405 claims with clinical intervention. Of those claims, 69% of workers reached a full return to work (full hours and duties) within six weeks. An additional 9% achieved a full return to work within seven to 10 weeks, and, overall, 78% of workers achieved full duties and hours. And for those no lost-time claims (145) that required additional support, the team promptly initiated appropriate clinical support and services, ensuring seamless transition to case management, thereby minimizing treatment gaps and preventing work disability.

**“Supporting at-work recovery is a win for both workers and employers. It’s been proven that workers who stay connected to the workplace have better health outcomes, reduced chances of chronic disability and improved quality of life and well-being. Employers benefit by maintaining skilled and experience workers and having less disruption to workflow. And employer support shows that they care about the worker and their recovery, which is great for employee morale.”**

**Elesha Milne**  
Manager, Stay at Work Support

## FOCUS AREA

# INTEGRITY

**WE WILL PROTECT THE INTEGRITY OF THE SYSTEM.**



As stewards of New Brunswick's workers' compensation system, WorkSafeNB meets the needs of both workers and employers every day. Injured workers rely on us to maintain the funds and services to support them if they are injured at work or become ill. To guarantee those funds and services are always available, we collect assessments from employers, but an important part of that is ensuring

they pay fair rates so they can keep contributing to our provincial economy.

Without this balance, there is no workers' compensation system. WorkSafeNB continuously looks to find efficiencies to improve by reviewing our policies, internal practices, and governance framework, and working with government to pursue legislative changes required to maintain this balance.

## OBJECTIVES



Effect good governance, including sound legislative and policy frameworks, transparent stakeholder engagement and communication.



Advance and leverage our capabilities in enterprise risk management and quality assurance.



Create a culture of accountability.



## KEY STRATEGIC MEASURES

### FUNDING POSITION



The *Workers' Compensation Act* requires WorkSafeNB to maintain a minimum funding level of 100% to ensure sustainability, with any shortfall to be recovered within 15 years. In October 2019, WorkSafeNB set a funding level to reduce the impact of year-to-year fluctuations. This intentional excess of assets over liabilities ensures more stable assessment rates for employers and safeguards the funds for benefits for injured workers.

WorkSafeNB met its target in 2023, with a funding level of 156.1%.

	2021 (\$ millions)	2022 (\$ millions)	2023 (\$ millions)
ASSETS	\$1,988	\$1,915	<b>\$2,053*</b>
LIABILITIES	\$1,348	\$1,297	<b>\$1,315*</b>
FUNDING POSITION	147.5%	147.7%	<b>156.1%</b>

\*Please note that these results for year end of 2023 are on an IFRS 4 and not on a IFRS 17 Financial Statement presentation basis and have been recently revised to reflect an increase in the benefits liabilities due to the pending legislative changes.

### LOWEST AVERAGE ASSESSMENT RATE IN ATLANTIC CANADA

Assessment rates are key to maintaining the delicate balance required to sustain the workers' compensation system – providing the appropriate benefits to injured workers, health and safety support to our province's workplaces, and administration costs. Assessments are one of two sources of revenue that fund our system.

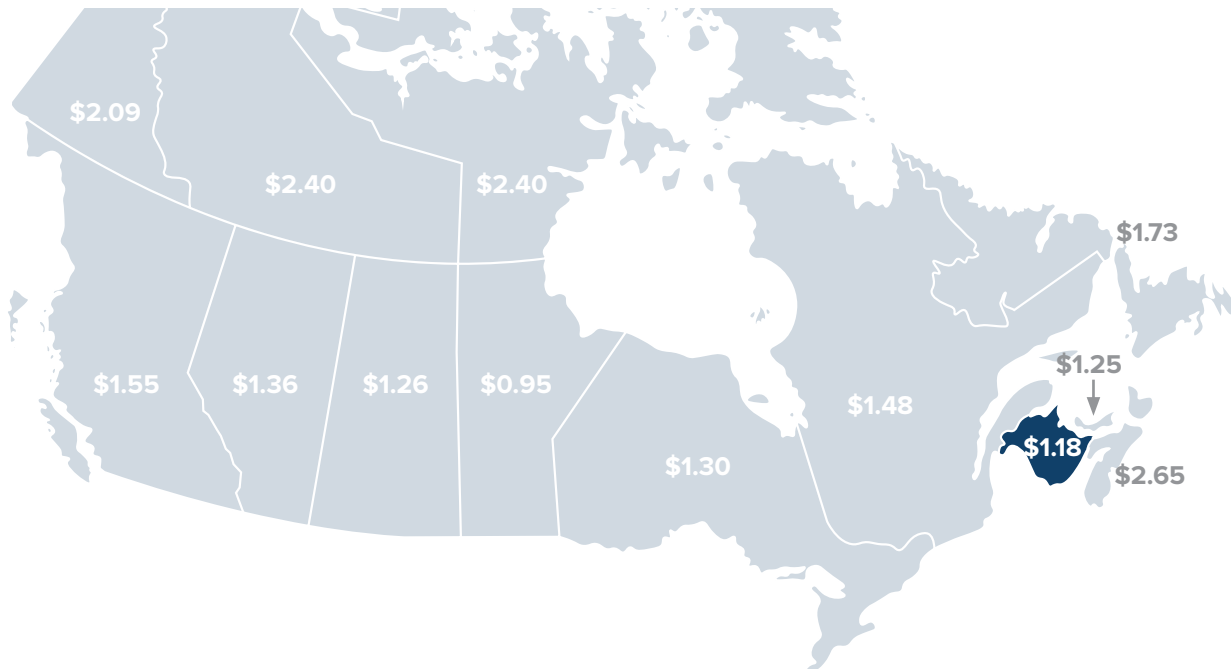
In 2023, the average assessment rate decreased from \$1.69 per \$100 of assessable payroll in 2022 to \$1.31 per \$100 of assessable payroll, a 22% decrease. This downward trend continued, as we set the 2024 rate in the fall of 2023, and

once again it dropped by 22% to \$1.18 per \$100 of assessable payroll. This rate is the lowest average rate in Atlantic Canada and the second lowest in the country, based on currently available information.

Fewer workplace accidents, better rehabilitation and return-to-work outcomes, and an improved financial position have resulted in a significantly reduced assessment rate. Rate decreases benefit not only employers but all New Brunswickers, as assessment rates reflect the safety and return-to-work outcomes of our province's workforce.

## KEY STRATEGIC MEASURES

### LOWEST AVERAGE ASSESSMENT RATE IN ATLANTIC CANADA



### GOOD THINGS ARE HAPPENING AT WORKSAFENB – AND PEOPLE ARE NOTICING!

WorkSafeNB is proud to share an opinion editorial that was featured in the New Brunswick Telegraph-Journal, Oct. 21.

Following our annual general meeting, Ron Marcolin, divisional vice-president of Canadian Manufacturers and Exporters, shared his thoughts on our organization’s recent successes in the piece titled “WorkSafeNB creating positive conditions for all”.

We are proud to see our efforts recognized by our stakeholders.

“Since 2018, the progress has been nothing less than remarkable. Rates charged to employers have tumbled, injury rates have reduced, and benefits to injured workers have improved. All of this contributes to making New Brunswick a safer place to work and more appealing to businesses looking to locate here.”

Ron Marcolin  
Canadian Manufacturers and Exporters

## KEY STRATEGIC MEASURES

### INVESTMENT PERFORMANCE

To cover total expenses for the year, WorkSafeNB supplements employer assessments by investing. Investment income is expected to generate a long-term average real return of 3.75%. However, the actual real rate of return can vary significantly over shorter periods due to short-term volatility in financial markets.

Investment returns were 8.90% as of December 31, 2023.

INVESTMENT PERFORMANCE	2023	4 Years	8 Years	10 Years
Fund gross rate of return	<b>8.90%</b>	6.00%	6.81%	6.74%
Less CPI	<b>3.40%</b>	3.79%	2.84%	2.58%
<b>Fund real rate of return</b>	<b>5.50%</b>	<b>2.21%</b>	<b>3.97%</b>	<b>4.16%</b>
Real return target	<b>3.75%</b>	3.75%	3.75%	3.75%

In 2022, WorkSafeNB introduced a hybrid model of investment management and secured an external investment firm. The outsourced chief of investment officer (OCIO) manages 65% of our investment portfolio, including equities, fixed income, and cash. WorkSafeNB's investment staff continue to manage the remaining 35%, including alternative investments (real estate, infrastructure, and opportunistic mandate). Oversight, asset-liability studies, and other governance responsibilities continue to remain the responsibility of staff, the Finance and Investment Committee, and the board of directors.



**5.5%**  
**REAL RATE  
OF RETURN**

**TARGET: 3.75%, UP 1.75%**

This new hybrid model was adopted to reduce operational risks related to staff resources and succession planning and to provide additional protection to our ongoing investment management. It aligns with workers' compensation jurisdictions across the country.

	2018	2019	2020	2021	2022	2023	2024
<b>PROVISIONAL RATE (PER \$100)</b>							
Benefits for New Accidents	\$1.47	\$1.66	\$1.47	\$1.33	\$1.20	<b>\$1.08</b>	\$0.93
Occupational Health and Safety	\$0.12	\$0.12	\$0.11	\$0.11	\$0.11	<b>\$0.11</b>	\$0.12
Workers' Compensation Appeals Tribunal & Worker / Employer Advocates	\$0.05	\$0.03	\$0.03	\$0.04	\$0.03	<b>\$0.02</b>	\$0.02
General Administration	\$0.29	\$0.37	\$0.36	\$0.34	\$0.35	<b>\$0.33</b>	\$0.32
Base Rate	\$1.93	\$2.18	\$1.97	\$1.82	\$1.69	<b>\$1.54</b>	\$1.39
Business Transformation		\$0.08	\$0.08				
Funding Level Adjustment for Prior Years	(\$0.23)	\$0.39	\$0.35	\$0.35		<b>(\$0.23)</b>	(\$0.21)
<b>AVERAGE RATE</b>	<b>\$1.70</b>	<b>\$2.65</b>	<b>\$2.40</b>	<b>\$2.17</b>	<b>\$1.69</b>	<b>\$1.31</b>	<b>\$1.18</b>
Administration Sub-Total	\$0.46	\$0.60	\$0.58	\$0.49	\$0.49	<b>\$0.46</b>	\$0.46

## MAINTAINING ACCOUNTABILITY

### NEW REPORTING REQUIREMENTS FOR FINANCIAL STATEMENTS

As of January 1, 2023, all insurance companies and workers' compensation boards transitioned to the new International Financial Reporting Standards for Insurance Contracts (IFRS 17).

This new accounting standard requires changes to how WorkSafeNB prepares and reports its financial statements. It introduces a standardized approach to valuing claim liabilities and adjusts how revenue and liabilities are recognized. While this does not change the fundamental economics of workers' compensation boards, adopting IFRS 17 may result in increased year-over-year volatility in financial statements because of how the discount rate is determined. The discount rate is key to measuring WorkSafeNB's claim liabilities.

Even though short-term perspectives are reflected in the new financial reporting standards, WorkSafeNB is committed to keeping a long-term outlook when setting assessment rates and measuring funding levels. This commitment ensures stability for employers, helping to mitigate any short-term fluctuations in assessment rates.

**All insurance companies and workers' compensation boards across Canada are now reporting under this framework.**



The IFRS Foundation is a not-for-profit, public interest organization established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards.

Its standards are developed by two boards, the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB).

Like all other workers' compensation boards across Canada, WorkSafeNB has produced two distinct financial valuations beginning December 31, 2023:

#### ► **FUNDING VALUATION**

Assesses the long-term health of the workers' compensation system, to determine assessment rates and benefit levels. Under the funding valuation, the discount rate used represents the long-term expected investment return of the Accident Fund.

#### ► **FINANCIAL STATEMENT VALUATION**

Completed to comply with IFRS 17. Under the financial statement valuation, the discount rate used reflects short-term market expectations and is not related to the investments in the Accident Fund.

## MAINTAINING ACCOUNTABILITY

### OUR ANNUAL PLAN: A BLUEPRINT FOR SUCCESS

While the annual report documents our success at meeting our measures, the annual plan is the blueprint that sets these measures in place, providing clear direction and measurable milestones - a framework for what we need to achieve for the upcoming year.

The annual plan ensures we stay on course and continue to make strides toward our vision and mission, outlining our key objectives, strategies, and initiatives for the upcoming year.

After the challenges of the pandemic years, our 2023 annual plan centred on stability and long-term effectiveness, with forward-thinking strategies and initiatives continuing to align with our focus areas of People. Prevention. Integrity.

#### BENEFITS OF OUR ANNUAL PLAN

- ▶ It delivers clear leadership to employees and helps engage our workforce. Employees gain a clear sense of direction in their departments and roles, fostering cohesive and motivated teams.

- ▶ It ensures that all departments and teams are aligned with our overarching goals. It bridges the gap between our long-term strategy and day-to-day operations, ensuring that every action we take moves us closer to our objectives.
- ▶ It allows us to monitor our progress throughout the year, making it easier to identify areas where we are excelling and those where we need to improve. Regular reviews and adjustments keep us on track and responsive to any environmental changes.
- ▶ By clearly outlining our priorities and initiatives, the annual plan helps us allocate our resources – time, budget, and human resources – more effectively. This ensures that we are investing in projects and activities that will help make New Brunswick the safest place to work while protecting the integrity of our workers' compensation system.
- ▶ The annual plan demonstrates to our stakeholders transparency and our commitment to strategic planning and continuous improvement.

Our 2023 annual plan is available on our website.



## MAINTAINING ACCOUNTABILITY

### ACCOUNTABILITY THROUGH POLICY

WorkSafeNB continuously reviews and updates our policies on a five-year cycle to ensure they are relevant and continue to be in our stakeholders' best interest. They are another way we show accountability.

We actively collaborate with workers and employers to develop policies that align with compensation and workplace safety legislation and welcome their feedback.

#### IN 2023, THE BOARD APPROVED 21 POLICIES, INCLUDING:

- ▶ Policy 44-005 Service in Official Language of Choice (new)
- ▶ Policy 21-215 Supplements to Compensation
- ▶ Policy 21-300 Allocation of Claim Costs
- ▶ Fee Schedule 29-550 Home Care
- ▶ Fee Schedule 29-557 Clothing and Footwear



In January, WorkSafeNB presented to the Public Accounts Committee. Representing us was our president and CEO, Tim Petersen; board chair, Mel Norton; and, executive director of Corporate Communications, Laragh Dooley. The Public Accounts Committee annually reviews all Crown corporations, who provide a brief presentation, which is then followed by a rigorous question and answer period.

The committee reviews the Crown corporations' annual reports, the Auditor General's report, and revenue expenditures for the previous fiscal year.

### MANAGING RISK

To ensure progress toward achieving our vision, strategic measures and KPIs, WorkSafeNB regularly reviews our strategic direction and risks at all organizational levels. Many identified risks are managed at a project, department and division level. However, some risks are significant enough that they are escalated to the enterprise level and are assigned executive accountability and regularly monitored by the Audit Committee.

#### IN 2023, WE IDENTIFIED 12 ENTERPRISE LEVEL RISKS, INCLUDING



- 1 CULTURE AND VALUES
- 2 CYBERSECURITY
- 3 PSYCHOLOGICAL HEALTH AND SAFETY
- 4 DATA GOVERNANCE
- 5 RESOURCING – MODERNIZATION
- 6 COMPLIANCE
- 7 TRAINING AND DEVELOPMENT
- 8 CRISIS MANAGEMENT
- 9 VENDOR EXECUTION
- 10 PRIVACY BREACH
- 11 CLIENT DEMAND
- 12 SUPPLY CHAIN

## MAINTAINING ACCOUNTABILITY

### THINK SUSTAINABILITY

More and more stakeholders are thinking about how organizations are managing risks and opportunities related to environmental, social, and governance criteria (sometimes called ESG factors). While these considerations have been evolving since the 1980s, there has been a global drive for organizations to also report on these factors.

These type of reporting requirements are becoming more common in other parts of the world, but also in Canada as it pertains to financial institutions and federal Crown corporations. The Canadian Sustainability Standards Board (CSSB) is currently reviewing the International Sustainability Standards Board (ISSB) global baseline for use in Canada and the Canadian Securities Administrators (CSA) is evaluating the timing of potentially implementing the standards. The standards align with the Task Force on Climate-related Financial Disclosures (TCFD), which has four pillars: governance, strategy, risk management, and metrics and targets.



While WorkSafeNB has many practices that align with ESG elements, over the next several years we will undertake a corporate-wide, disciplined approach to plan for future ESG reporting and responsibilities. Developing an effective ESG framework may involve:



**Identifying ESG goals and objectives.**



**Assessing baseline metrics.**



**Integrating and implementing short- and long-term plans.**



**Developing a reporting framework that will provide accurate and complete data, ensuring systems and processes are in place.**



**Monitoring and reporting on progress.**

Like other significant changes to reporting, WorkSafeNB will take the necessary steps to develop and implement a comprehensive ESG framework.

## STAKEHOLDER RELATIONS

### COLLABORATING THROUGH CONSULTATION FOR LEGISLATIVE CHANGE

WorkSafeNB regularly reviews legislation to determine where amendments can be made to improve our workers' compensation system and our province's occupational health and safety. As a stakeholder-driven organization, we are committed to fully exploring any proposed amendments with our stakeholders to understand potential impacts on injured workers, employers, and the system's long-term fiscal sustainability. Transparent dialogue with, and feedback from, our stakeholders helps inform our decisions.

In 2023 we consulted New Brunswickers on:

#### ADDING CORRECTIONAL OFFICERS TO THE LIST OF WORKERS BENEFITTING FROM PRESUMPTIVE PTSD LEGISLATION

In summer and fall of 2023, WorkSafeNB held a public consultation exploring the possibility of amending legislation to include correctional officers in the definition of "emergency response worker" under section 7.1(1) of the *Workers' Compensation (WC) Act*. With this change, a confirmed diagnosis for post-traumatic stress disorder (PTSD) for a correctional officer would be presumed work-related unless otherwise shown.

Police officers, firefighters and paramedics currently receive this presumption in New Brunswick under the definition of emergency response workers.

This public consultation resulted in our largest response rate of any WorkSafeNB consultation to date, and while some concerns for implementation were raised, the majority of respondents agreed we should pursue this legislative amendment. We are grateful to the hundreds of participants who shared their valuable feedback and personal experiences on a topic that clearly is important to them.

Because of the significant support received during the consultation, WorkSafeNB's board of directors is recommending the government make this legislative change, aligning New Brunswick with most Canadian jurisdictions.

#### CLAIMS MANAGEMENT SERVICE DELIVERY MODEL

WorkSafeNB also sought feedback on our claim service delivery model, a model designed to provide more value and better results for our clients, and a priority of modernization journey.

This includes our Early Intervention and Stay-at-Work Support units, and Care Closer to Home. These were already being trialed, but we wanted to ensure the approval of our clients, who overwhelmingly reassured us of their support for this new service delivery model.

WorkSafeNB's goal is to be by our client's side every step of the way supporting their recovery and our clients agree with this approach.





# INTEGRITY FOCUS AREA

## SAFEGUARDING THE FUTURE WITH OUR INTEGRITY INTACT

As we strive to uphold our system’s integrity, our dedication to New Brunswick’s workers and employers remains steadfast.

Integrity isn’t just a focus area – it’s the heart of everything we do, guiding us as trusted stewards committed to creating a strong, stable, and sustainable system.

Integrity goes beyond numbers and policies. At WorkSafeNB, integrity means prioritizing good governance, protecting privacy, embracing modern technology, ensuring cybersecurity, and building on strong legislative foundations. We value open dialogue with stakeholders, effective communication, and holding ourselves to the highest standards of accountability.

### BOARD OF DIRECTORS

Our board of directors isn’t just a group of decision-makers – they’re the guiding force behind our strategic direction. Made up of representatives from both workers and employers, along with independent members, our board brings a wealth of diverse perspectives and expertise to the table.



To learn more about our board of directors and view meeting minutes, visit our website: [About Us > Who We Are > Board of Directors](#)

### STANDING COMMITTEES

Standing committees are the backbone of our board’s work, allowing us to delve into specific topics with precision and care. These committees ensure thorough examination and informed decision-making on key issues affecting the safety and well-being of New Brunswick’s workforce. Each committee member brings unique expertise and perspectives to the table, fostering collaboration and innovation in our approach to addressing complex challenges. Through their work, these committees were able to tackle important issues with depth and insight, ultimately driving positive change and progress within WorkSafeNB and more broadly, to New Brunswick.



## SAFEGUARDING THE FUTURE WITH OUR INTEGRITY INTACT

### FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment committee isn't just about balancing books. It's about ensuring a long-term fiscal strategy to safeguard WorkSafeNB's financial stability.

Chair: Bert Cyr and Haley Flaro  
Worker Rep Voting: Donna McNeill  
Employer Rep Voting: Bert Cyr  
Worker Rep Alternate: Denny Vautour  
Employer Rep Alternate: Donna McNeill

### HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee goes beyond policies and procedures. It's a dedicated team focused on nurturing a workplace culture where everyone feels valued.

Chair: Mike MacMullin  
Worker Rep Voting: Donna McNeill  
Employer Rep Voting: Gaëtan Guérette  
Worker Rep Alternate: Denny Vautour  
Employer Rep Alternate: Adam Donnelly

### AUDIT COMMITTEE

Beyond just numbers and spreadsheets, the Audit Committee is about ensuring accountability and integrity in everything we do.

Chair: Mike MacMullin  
Worker Rep Voting: James Stanley  
Employer Rep Voting: Vacant  
Worker Rep Alternate: Vacant  
Employer Rep Alternate: Adam Donnelly

### GOVERNANCE COMMITTEE

The Governance Committee is committed to promoting good governance practices and fostering a culture of transparency and trust.

Chair: Haley Flaro  
Worker Rep Voting: James Stanley  
Employer Rep Voting: Bert Cyr  
Worker Rep Alternate: Mike MacMullin  
Employer Rep Alternate: Adam Donnelly

### FATALITY REVIEW COMMITTEE

Recognizing that every workplace death is the loss of a beloved family member and has a profound effect not only on the families, but on the workplace and the community, the Fatality Review Committee approaches its work with compassion and dedication. By reviewing incidents and learning from tragedy, they strive to make every workplace safer and prevent future loss.

Chair: James Stanley  
Worker Rep Voting: Donna McNeill  
Employer Rep Voting: Vacant  
Worker Rep Alternate: Denny Vautour  
Employer Rep Alternate: Adam Donnelly

### IN 2023:

**4** BOARD MEETINGS  
(2 DAYS EACH)

**17** COMMITTEE MEETINGS

**1** AGM

**1** INVESTMENT EDUCATION



## SAFEGUARDING THE FUTURE WITH OUR INTEGRITY INTACT

### INJURED WORKERS' ADVISORY COMMITTEE – CHAMPIONS FOR CHANGE

WorkSafeNB's commitment to ensuring the well-being of New Brunswick's injured workers extends to regular consultation with former injured workers. These valued collaborators, including those who have tragically lost loved ones, form the backbone of our Injured Workers' Advisory Committee (IWAC).

The IWAC is more than a channel for discussion; it's a vital conduit for injured workers and their representatives to voice concerns and provide valuable suggestions. With their firsthand experiences, IWAC members offer important insights into enhancing our programs and services.

IWAC serves as a critical forum for feedback, gauging the response of injured workers and their families to potential changes in WorkSafeNB's policies and programs. As we aim to introduce amendments to our legislation, IWAC ensures that those directly impacted are kept informed with the most up-to-date information.

In 2023, IWAC's advocacy efforts were focused on supporting benefit improvements, specifically increasing the percentage of loss of earnings paid and the maximum assessable earning, reflecting

**The IWAC is a vital conduit for injured workers and their representatives to voice concerns and provide valuable suggestions.**

their tireless commitment to championing the welfare of all New Brunswickers affected by workplace injuries. Additionally, IWAC played a key role in developing the updated *Helping You Through a Critical Incident Guide*. This comprehensive resource, tailored not only to injured workers but also to those who have endured workplace tragedies through the loss of a loved one, is a testament to IWAC's dedication and invaluable contributions.

To learn more about IWAC's activities and impact, we invite you to explore their annual report on our website. Together, with IWAC's guidance and advocacy, we continue to strive towards a safer and more supportive environment for all.



Members of the 2023 Injured Workers' Advisory Committee, from left: Pam Baker, Paula Garant, Azarie Ross, and Pauline Diotte.

## SAFEGUARDING THE FUTURE WITH OUR INTEGRITY INTACT

### ANNUAL GENERAL MEETING

An objective under our Integrity focus is creating a culture of accountability. And a key to accountability is building trust and maintaining transparency. WorkSafeNB strives to do this by building relationships through stakeholder engagement and integrating our stakeholders' views and opinions into our decision-making process. Stakeholder engagement helps us understand stakeholder expectations, manage risk, identify opportunities for improvement and achieve our strategic direction.

Our Annual General Meeting (AGM) is a popular venue for stakeholder engagement. Besides providing a year in review and what's on the horizon, our stakeholders are given the opportunity to ask questions.

In 2020, COVID-19 forced us to make our AGM a virtual event, something that made participation more accessible. With no limit to the number of participants who can join, and no need for travel, we decided to continue hosting these virtually. Our 2023 AGM was held in Q3, with more than 300 stakeholders registered from across the province.

Our president and CEO, Tim Petersen, and board chair, Mel Norton, reported on a year filled with notable achievements, including the lowest injury frequency in over a decade, a significant jump in employee engagement, steady client satisfaction, and strong financial results.

“I enjoyed tuning in virtually and that there was a question period at the end of the meeting.”

“Clear, informative, set a positive tone.”



86%

OVERALL SATISFACTION

### WORKSAFENB'S CORE SYSTEMS MODERNIZATION JOURNEY

At WorkSafeNB, we're on a path of modernization and a key component of our transformation is leveraging technology to enhance our employee and client experience, as well as boosting operational efficiency through streamlined workflows. Our commitment is ambitious: we're replacing key systems in finance, human resources, claims management, employer management, and procurement.

In 2023, we proactively engaged team members from various departments to gather comprehensive requirements for the initial phase encompassing finance, human resources, and procurement strategy. Our target is to finalize solutions for finance and human resources by the end of 2023.

Our staff is energized and ready for the future, eager to embrace these new systems and work in a modernized WorkSafeNB environment.

## SAFEGUARDING THE FUTURE WITH OUR INTEGRITY INTACT

### WORKSAFENB'S CORE SYSTEMS MODERNIZATION JOURNEY



Our Modernization initiatives largely revolve around revamping our technology and methodologies to enhance the way we deliver services. I'm constantly astounded by the way our WorkSafeNB team has cultivated a

culture of perpetual learning, flexibility and agility.  
– HITEN PATEL, Architecture Services



Modernization is a journey of progression, collaboration, and innovation. It's taking something and making it better. It's collaborating to find viable solutions that enable employees to do their job more effectively,

which leads to increased productivity and ability to further support clients.  
– CAROL RICHARD, Human Resources.



I'm most excited about introducing a new front-end client interface system that will revolutionize how WorkSafeNB communicates and shares information with our clients and the public. By seamlessly blending new technology with user-

centric design, we'll elevate the client experience with improved accessibility, responsiveness, and customization. Personally, it's an exciting time to be a newest member to the WorkSafeNB communications team as we embark on this exciting journey together! – LYNN MEAHAN-CARSON, Communications



To go through a large-scale modernization like we're doing is exciting! I am thrilled to be part of an organization that wants to transform its culture, become more modern and digital and – through it all – remains client-

focused. People are at the heart of everything we do and making it easier for our clients to deal with us is so important. – JENNIFER KEIR, Business Transformation



This is an exciting time to be at WorkSafeNB! Modernization means investing in our employees, and our clients. By complementing service delivery modernization with a new claims system core platform, we are leveraging

modern technology toward the vision of providing an optimal client experience for New Brunswick workers and employers. – KRISTA KRAITZEK, Claims Management and Rehabilitation



Our Modernization journey will elevate us to the next level of providing an exceptional client and employee experience.  
– GENEVIÈVE PILON, Health and Safety Services



# ANNUAL REPORT 2023

## MANAGEMENT DISCUSSION AND ANALYSIS AND CONSOLIDATED FINANCIAL STATEMENTS AND NOTES



# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS

The Management Discussion and Analysis (MD&A) provides management's perspective on key issues that affect the current and future performance of the Workplace Health, Safety and Compensation Commission (operating as WorkSafeNB). The MD&A, prepared as at June 6, 2024, should be read in conjunction with the audited consolidated financial statements and supporting notes for the year ended December 31, 2023.

## FORWARD LOOKING STATEMENTS

This report contains forward-looking statements about certain matters that are, by their nature, subject to many risks and uncertainties that may cause actual results to differ materially from these statements. Forward-looking statements include, but are not limited to, WorkSafeNB's objectives, strategies, targeted and expected financial results, and the outlook for its business and for the New Brunswick and global economies. Risks and uncertainties include, but are not limited to, changing market, industry and general economic factors or conditions; changes in legislation affecting WorkSafeNB policies and practices; changes in accounting standards; the ability to retain and recruit qualified staff; and other risks, known or unknown. The reader is cautioned not to place undue reliance on these forward-looking statements.

The *Annual Report*, *Strategic Plan*, and *Assessment Rates* are available at [worksafenb.ca](http://worksafenb.ca).

## NEW REPORTING STANDARDS (IFRS 17)

As of January 1, 2023, all insurance companies and workers' compensation boards have transitioned to the new International Financial Reporting Standards for Insurance Contracts (IFRS 17).

This new accounting standard requires changes to how WorkSafeNB's financial statements are prepared and reported. It introduces a standardized

approach to valuing claim liabilities and adjusts how revenue and liabilities are recognized. While this does not change the fundamental economics of workers' compensation boards, adopting IFRS 17 may result in increased year-over-year volatility in financial statements because of how the discount rate is determined. The discount rate is key to measuring WorkSafeNB's claim liabilities.

Even though short-term perspectives are reflected in the new financial reporting standards, WorkSafeNB is committed to keeping a long-term outlook when setting assessment rates and measuring funding levels. This commitment ensures stability for employers, helping to mitigate any short-term fluctuations in assessment rates.

Like all other workers' compensation boards across Canada, WorkSafeNB has produced two distinct financial valuations beginning December 31, 2023:

- **Funding valuation:** Assesses the long-term health of the workers' compensation system, to determine assessment rates and benefit levels. Under the funding valuation, the discount rate used represents the long-term expected investment return of the Accident Fund.
- **Financial statement valuation:** Completed to comply with IFRS 17. Under the financial statement valuation, the discount rate used reflects short-term market expectations and is not related to the investments in the Accident Fund.

While the financial statements are now prepared under IFRS 17, this discussion and analysis focuses on the results under the long-term funding valuation basis, which informs assessment rates and funding levels, as these are key factors of importance for our stakeholders. The following tables reconcile the results reported in the financial statements to those under the funding valuation basis.



# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

<b>As at December 31, 2023</b>				
(\$millions)	Financial statement basis	Presentation <sup>1</sup>	Measurement <sup>2</sup>	Funding basis
<b>Consolidated Statement of Financial Position</b>				
Total assets	2,078.3	9.9	–	2,088.2
Total liabilities	1,396.1	9.9	(91.2)	1,314.8
Net assets attributable to WorkSafeNB	646.6	–	91.2	737.8
Non-controlling interests	35.6	–	–	35.6
<b>Funding level</b>	<b>N/A</b>			<b>156.1%</b>

<b>Consolidated Statement of Operations</b>				
Excess of revenues over expenses attributable to WorkSafeNB	119.2	–	0.5	119.7

1. Due to the reclassification of insurance related receivables and payables to Insurance contract liabilities
2. Due to the marked-to-market discount rate methodology prescribed for financial statement insurance contract liabilities compared to the long-term approach used for funding liabilities. Also reflected are the legislative changes subsequent to the reporting date that are reflected in the funding basis, but not the IFRS 17 basis as described in more detail below.

<b>As at December 31, 2022</b>				
(\$millions)	Financial statement basis	Presentation <sup>1</sup>	Measurement <sup>2</sup>	Funding basis
<b>Consolidated Statement of Financial Position</b>				
Total assets	1,937.4	11.2	–	1,948.6
Total liabilities	1,376.2	11.2	(90.7)	1,296.7
Net assets attributable to WorkSafeNB	527.4	–	90.7	618.1
Non-controlling interests	33.8	–	–	33.8
<b>Funding level</b>	<b>N/A</b>			<b>147.7%</b>

<b>Consolidated Statement of Operations</b>				
Excess of revenues over expenses attributable to WorkSafeNB	276.7	–	(298.4)	(21.7)

1. Due to the reclassification of insurance related receivables and payables to Insurance contract liabilities
2. Due to the marked-to-market discount rate methodology prescribed for financial statement insurance contract liabilities compared to the long-term approach used for funding liabilities.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

## SUBSEQUENT EVENTS

Effective July 1, 2024, the provincial government introduced legislation to amend the *Workers' Compensation Act*. The key changes from this legislation is that on July 1, 2024, the Income Replacement Rate ("IRR") for STD and LTD wage loss recipients will increase from 85% to 90% of net earnings. Additionally, the Maximum Assessable Earnings (MAE) will increase from 1.5 times NB Industrial Aggregate Earnings ("NBIAE") to 1.6 times NBIAE. These amendments are estimated to result in an adjustment to the insurance contract liabilities of \$46.5 million.

The primary purpose of the funding valuation is to assess the long-term health of the workers' compensation system, to determine assessment rates and benefit levels. We have chosen to reflect these pending legislative changes in the going-concern benefits liability so that the board of directors have an accurate representation of its benefits obligations when making funding decisions. The increase in the going-concern benefits liability at December 31, 2023 is \$43.2 million. While not reflected in the results under IFRS 17, the impact of pending legislative changes on this basis are fully disclosed in note 23 to the financial statements.

## FINANCIAL HIGHLIGHTS – FUNDING VALUATION

WorkSafeNB recorded a funded position of \$737.8 million (156.1%) at December 31, 2023, an increase from \$618.1 million (147.7%) at December 31, 2022. This increase is driven by excess of revenues over expenses of \$119.7 million in 2023 compared to a deficit of \$21.7 million in 2022. The primary drivers of the 2023 results are higher investment returns, partially offset by a slight increase in the benefits liabilities and a decrease in assessment revenue. The investment return in 2023 was 8.9% compared

to (3.8%) in 2022. The benefits liabilities and pension annuity liabilities increased by a combined \$16.8 million in 2023, following a \$46.7 million decrease in 2022. The increase in 2023 is primarily driven by the pending legislative changes costing \$43.2 million, partially offset by lower-than-expected payment levels in 2023 for medical, hospital, short- and medium-term wage loss benefits, combined with a reduction in the expected cost of 2023 injuries. Assessment revenue decreased by 12.4% from \$206.5 million in 2022 to \$180.9 million in 2023. The decrease is due to a 22.5% reduction in the provisional average assessment rate from \$1.69 in 2022 to \$1.31 in 2023.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of WorkSafeNB and WorkSafeNB Investments Limited (WSNBIL). WSNBIL is a subsidiary over which WorkSafeNB exercises control and is defined as having the power to direct the relevant activities of an entity, having exposure or rights to variable returns of the entity, and having the ability to affect the returns through the power it holds. WSNBIL holds infrastructure and real estate assets in trust for WorkSafeNB, the Workers Compensation Board of Prince Edward Island (WCB of PEI) and the *Firefighters' Compensation (FC) Act* Disability Fund, pursuant to agreements for the combined administration of their respective investments. Although WorkSafeNB does not have legal rights to the proportionate shares that the WCB of PEI and the *FC Act* Disability Fund hold in WSNBIL, International Financial Reporting Standard 10 (IFRS 10) requires WorkSafeNB to present consolidated financial statements as they have control over WSNBIL as defined in IFRS 10. As a result, WSNBIL has been fully consolidated in these financial statements.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

The proportionate ownership of the net assets of WSNBIL as at December 31, 2023 was: WorkSafeNB – 88.4%, WCB of PEI – 10.0%, *FC Act* Disability Fund – 1.6%. All transactions and balances between WorkSafeNB and WSNBIL are eliminated on consolidation.

Non-controlling interests, presented as part of equity, represent the portion of WSNBIL's net assets that are held by the WCB of PEI and the *FC Act* Disability Fund.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The key components of WorkSafeNB's consolidated statement of financial position are its investments, benefits liabilities, pension annuity liabilities, and funded position.

### FINANCIAL HIGHLIGHTS

#### Consolidated Statement of Financial Position

(\$millions)	2023	2022
Portfolio investments	1,999.8	1,853.1
Benefits liabilities	1,187.9	1,175.1
Pension annuity liabilities	104.4	100.4
WorkSafeNB funded position	737.8	618.1
WorkSafeNB funding level	156.1%	147.7%

### Investments

WorkSafeNB's investment portfolio must be customized to reflect its purpose, time horizon, liquidity requirements, legal constraints and its stakeholders' risk tolerance. The primary investment risk is that the investment fund's assets, together with the future income thereon, will be insufficient to pay the liabilities.

Most of the investment portfolio is held to meet payment obligations that extend many years into the future. As a consequence, WorkSafeNB takes a long-term approach to finding an acceptable risk/return trade-off via the investment strategy. WorkSafeNB's

investment policies and practices are designed to maximize the probability of meeting its performance objectives over the long-term at an acceptable risk level; from year-to-year, short-term fluctuations in financial markets could cause the investment portfolio to significantly over- or under-perform its long-term performance objectives.

WorkSafeNB believes that the most important factor in determining investment risk and return is the asset mix. WorkSafeNB relies on periodic asset liability studies performed by independent actuarial consultants to ensure that the investment strategy is suitable in light of risk tolerance, the nature of the liabilities and financial position. The latest asset liability study was completed in 2019, resulting in a targeted asset mix of: 16% Canadian bonds, 15% Canadian equities, 14% U.S. equities, 14% international (EAFE) equities, 4% emerging markets equities, 15% real estate, 10% infrastructure, 10% in a global opportunistic strategy and 2% cash.

This asset mix is designed to reduce the volatility in WorkSafeNB's annually reported operating income, funding level and assessment rates.

The table below shows the fair value of WorkSafeNB investments by investment type as of December 31.

### INVESTMENTS

(\$millions)	2023	2022
Forward foreign exchange contracts	32.1	(8.1)
Fixed income	321.5	292.6
Equities	945.8	889.0
Real estate	274.2	292.6
Infrastructure	233.4	190.3
Global Opportunistic	192.8	196.7
<b>Total investments</b>	<b>1,999.8</b>	<b>1,853.1</b>

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

WorkSafeNB's investment strategy is documented in the Statement of Investment Philosophy and Beliefs Policy and the Investment Goals and Objectives Policy. The Statement of Investment Philosophy and Beliefs Policy documents the governance structure for investments, WorkSafeNB's commitment to a disciplined approach to investing, WorkSafeNB's view on diversification as a method to reduce risk, the importance of the asset allocation decision, along with the WorkSafeNB's view on ethics and investment education.

The Investment Goals and Objectives Policy identifies the policy asset mix and performance objectives; and defines eligible investments and limits on risk concentrations. WorkSafeNB's investments are managed by independent external investment managers. The compliance of these portfolio managers with policy is monitored regularly.

To minimize the volatility of returns, WorkSafeNB's portfolio is diversified among asset classes, industry sectors, geographic locations and individual securities. WorkSafeNB further diversifies by selecting investment managers with varying investment mandates and styles.

In December 2021, WorkSafeNB entered into an agreement for outsourced chief investment officer investment management services with a third party, SEI Investment Management Company (SEI). SEI has discretion to invest in public securities consistent with WorkSafeNB policies.

Under a hybrid model, WorkSafeNB continues to manage its private markets and opportunistic investments under an internal chief investment officer – Alternatives.

## Benefits Liabilities

At the end of each fiscal year, WorkSafeNB determines its benefits liabilities for all accidents that have occurred to that date. These liabilities represent the actuarial present value of all future benefits and related administration costs. The benefits liability increased 1.1% from \$1.18 billion in 2022 to \$1.19 billion in 2023.

Continued improvement with short term wage loss has seen a gain of \$18.7 million, as payments on prior years' claims are lower than expected and new accident costs remain below pre-COVID levels. This lower accident frequency and improvement in return to work also reduces the number of expected long-term claims, generating further gains of \$10.6 million.

Also contributing to the improvement in claims cost experience are gains related to hospital and hearing loss benefits. Hospitals continue to be impacted by the challenges facing New Brunswick's health care sector. While hospital payments have increased relative to the historical low in 2022, they remain below expected levels, generating a gain of \$7.1 million. Hearing loss claims continue to stabilize following a volatile period of increasing claim volumes peaking in 2018, and subsequently decreasing following legislative change and COVID-19 restrictions. On average, claimants have historically opted for replacement hearing aids later than the expected five-year schedule. Reflecting this new expected payment pattern in 2023 resulted in a \$9.9 million gain.

Offsetting the underlying improvement in claims costs are the \$43.2 million for legislative changes, and an increase in the administration expense provision. The provision represents an amount set aside to administer benefits in future years. In 2023, the percentage of the benefit liability set aside increased from 7.5% to 8.5%, or \$9.1 million.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

As at December 31, 2023 claim benefit liabilities were broken down as follows:

<b>BENEFITS LIABILITIES</b>		
(\$millions)	2023	2022
Short-term disability and rehabilitation	117.7	143.9
Long-term disability	481.5	472.0
Survivor benefits	60.6	60.3
Health care	484.9	498.9
Legislative changes	43.2	–
<b>Total benefits liabilities</b>	<b>1,187.9</b>	<b>1,175.1</b>

## **Pension Annuity Liabilities**

Previously included under benefits liabilities, pension annuity liabilities represent WorkSafeNB's obligation to provide retirement benefits to eligible injured workers of assessed or self-insured employers equal to the total contributions plus investment income earned on those contributions. As such, the pension annuity liability is measured at an amount equivalent to the fair value of the assets for contributions set aside plus investment income earned on those contributions as at that year-end. At age 65, or upon death, the injured worker or their beneficiary receives a benefit from contributions made to their annuity account plus any investment income earned. Assets attributable to pension annuities are included and managed as part of WorkSafeNB's investment portfolio.

The pension annuity liabilities at December 31, 2023 were \$104.4 million, an increase from \$100.4 million at December 31, 2022.

## **Funded Position**

WorkSafeNB is dedicated to building a strong, stable, and sustainable workers' compensation system that serves New Brunswick's workers and employers today and in the future. A key component of sustainability is WorkSafeNB's funding policy. The funding policy specifies a funding target ranging from 115% to 125% with an amortization period for surcharges and surpluses of no more than 10 years. This permitted excess of assets over liabilities reduces the impact of year-to-year fluctuations, thereby providing assessment rate stabilization and enhanced security that awarded benefits will be met.

In accordance with the funding policy, the assessment revenue raised in any year from assessed employers may include or be reduced by an amount designed to allow WorkSafeNB to attain its funding goal. When the funding level falls below 115% a surcharge is levied upon employers to return to the 115% funding level. The surcharge is the difference between the cumulative financial results and the 115% funding level, amortized over a period of not greater than 10 years. In periods where the funding level exceeds 125%, a credit will be issued to employers. The credit is the difference between the cumulative financial results and the 125% funding level, amortized over a period not greater than 10 years.

WorkSafeNB's funding level at December 31, 2023 is 156.1% (2022 – 147.7%). Under the *Workers' Compensation Act*, a minimum funding level of 100% is required, with any shortfall to be recovered within a reasonable and prudent period not greater than 15 years.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

## CONSOLIDATED STATEMENT OF OPERATIONS

<b>FINANCIAL HIGHLIGHTS</b>		
<b>Consolidated Statement of Operations</b>		
(\$millions)	2023	2022
Assessment revenue	165.9	193.9
Administration fee income	15.0	12.6
Investment income	159.1	(74.6)
Claims costs incurred	136.2	85.8
Pension annuity costs	14.7	3.0
Administration costs	69.3	59.9
Excess of revenues over expenses attributable to WorkSafeNB	119.7	(21.7)
Market rate of return of portfolio	8.9%	(3.8%)

## REVENUES

WorkSafeNB's revenue is derived from two sources: assessment revenue and investment income. In 2023 revenues totalled \$340.0 million, a 157.9% increase from 2022 revenues of \$131.9 million.

### Assessment Revenue

Assessment revenue consists of premiums from assessed employers and administration fee revenue from self-insured employers. Assessed employers pay premiums based on their assessment rate and assessable payroll. The assessment rate is applied to each \$100 of assessable payroll to arrive at the total premium. Administration fee revenue from self-insured employers reflects an appropriate share of administration costs to administer the claims.

Assessment revenue from assessed employers decreased 14.4% from \$193.9 million in 2022 to \$165.9 million in 2023. The decrease is the result of the 22.5% reduction in the provisional average assessment rate from \$1.69 in 2022 to \$1.31 in 2023, partially offset by a 10.2% increase in assessable payroll. While COVID-19 negatively impacted employer payrolls in 2020, most sectors had rebounded in 2021. The accommodation, food services, entertainment and recreation sectors were most impacted and only returned to pre-pandemic levels in 2022. The health care, construction, manufacturing, and retail sectors have shown large payroll increases in 2023. The maximum insurable earnings increased by 8.1% from \$69,200 in 2022 to \$74,800 in 2023.

<b>ASSESSMENT REVENUE</b>		
(\$millions)	2023	2022
Assessed employers	165.9	193.9
Administration fee revenue – self-insured employers	15.0	12.6
Total assessment revenue	180.9	206.5
Assessable payroll	\$12.58 billion	\$11.42 billion

### Investment Income

Investment income increased from a loss of \$74.6 million in 2022 to a gain of \$159.1 million in 2023. The increase is attributable to unrealized gains on investments due to positive returns in most capital markets in 2023.

Investment income is an important revenue stream for WorkSafeNB. It is relied on to supplement insurance revenue to cover total expenses for the year. Built into the valuation of the insurance contract liabilities and into the assessment rate-setting model is the long-term assumption that WorkSafeNB's investments will generate an annual real rate of

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2022 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

return of 3.75%. In 2023, the real rate of return on the portfolio was 5.50%. For the 25-year period ended December 31, 2023, the annualized real rate of return on the portfolio was 4.36%.

<b>INVESTMENT INCOME</b>		
(\$millions)	2023	2022
Interest and dividends	53.4	44.0
Net realized gains on investments	(26.2)	243.0
Change in net unrealized gains on investments	138.2	(356.1)
Portfolio management expenses	(6.3)	(5.5)
<b>Total investment income</b>	<b>159.1</b>	<b>(74.6)</b>

## EXPENSES

WorkSafeNB's expenses consist of claims costs, pension annuity costs, administration costs, and legislative obligations. In 2023, expenses increased by 46.4% from \$152.7 million to \$223.5 million.

<b>EXPENSES</b>		
(\$millions)	2023	2022
Claim costs		
Benefit payments	123.4	123.5
Changes in actuarial valuation of benefits liabilities	12.8	(37.7)
Pension annuity costs	14.7	3.0
Administration costs	69.3	59.9
Legislative obligations	3.3	4.0
<b>Total expenses</b>	<b>223.5</b>	<b>152.7</b>

### Claims Costs

Claims costs represent costs incurred in the current year for current and prior year injuries. These costs include benefit payments made and changes in the actuarial valuation of the benefits liability. Claims costs increased from \$85.8 million in 2022 to \$136.2 million in 2023. Total benefit payments in

2023 remained stable from 2022. Following a \$571 million gain in 2021, 2022 saw an additional \$46.7 million in gains from benefit liabilities, primarily due to lower-than-expected payment levels in 2022 for hospital, short- and medium-term wage loss benefits, combined with a reduction in the expected proportion of hearing loss claimants who will receive a loss of opportunity (PPI) benefit, offset by a \$43.2 million increase related to pending legislative changes.

Fundamental to the actuarial valuation are the discount rates used to value the liabilities. The assumed discount rate for 2023 remained unchanged at 6.08%.

<b>CLAIMS COSTS</b>		
(\$millions)	2023	2022
Short-term disability and rehabilitation	7.1	25.2
Long-term disability	50.2	10.6
Survivor benefits	7.0	7.0
Health care	28.7	43.0
Legislative changes	43.2	–
<b>Total claims costs</b>	<b>136.2</b>	<b>85.8</b>

### Pension Annuity Costs

Previously included under claims costs, pension annuity costs represent WorkSafeNB's obligation to provide retirement benefits to eligible injured workers of assessed or self-insured employers equal to the total contributions plus investment income earned on those contributions. These costs amounted to \$14.7 million in 2023 (\$3.0 million in 2022).

### Administration Costs

WorkSafeNB's administration costs increased by \$9.4 million (15.8%) from \$59.9 million in 2022 to \$69.3 million in 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

## Legislative Obligations

WorkSafeNB is required by legislation to reimburse the provincial government for operating costs of the workers' and employers' advocates, which were \$1.0 million in 2023 (2022 – \$1.5 million), and \$1.3 million in 2023 (2022 – \$1.6 million) for the Workers' Compensation Appeals Tribunal (WCAT).

In 2023, WorkSafeNB provided \$915 thousand (2022 - \$890 thousand) of financial assistance to three safety associations as per the *Workers' Compensation (WC) Act* – the New Brunswick Construction Safety Association, the New Brunswick Continuing Care Safety Association, and the New Brunswick Forest Safety Association. The money paid is levied against all employers in the industries represented by the safety associations and is included as part of assessment revenue.

## KEY FINANCIAL DRIVERS

### Employment, Accident Frequency and Claim Duration

Work-related injuries arise from employment. Changes in New Brunswick's employment base and trends in injury frequency and claim duration are the primary drivers of WorkSafeNB's operations and key determinants of the assessment rates that assessed employers pay, as well as the claims costs paid directly by self-insured employers.

Injury frequency can be positively impacted through:

- Good safety practices by both workers and employers.
- A workplace culture of safety leadership.
- WorkSafeNB's focus on providing the right services to the right employer/industry at the right time.

Claim duration can be positively influenced by:

- A focus on early intervention, stay at work, and safe return to work.
- Promptly filing claims reports.
- Early assessment of functional abilities with a comprehensive rehabilitation plan.
- Graduated/modified employer-sponsored return to work plan in place.

Claim duration/severity is particularly important, as a relatively small number of claims account for a sizable portion of benefit costs.

### Inflation Rate

The inflation rate, or Canadian consumer price index (CPI), is a key driver because WorkSafeNB's future short-term disability, long-term disability, survivor and other benefits and allowances are indexed annually based on the CPI.

These benefits increased by 8.1% in 2023, the highest increase since 1982 and much higher than the 1.9% average over the last 20 years. Cost projections include the known CPI increase of 2.81% in 2024 and continue to include a 2.25% long-term inflation assumption for 2025 and beyond, reflecting the best estimate average CPI increase over the next 20 to 30 years.

### Investment Returns

WorkSafeNB collects assessments to cover the entire present and future expected costs of injuries incurred in a given year. The assessments collected are invested to produce an expected long-term average real return of 3.75%. This real return is the expected return in excess of inflation, as measured by the increase in the CPI. This return expectation is based on achieving investment returns similar to the historical long-term average returns for the asset classes in which the portfolio is invested.



# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

WorkSafeNB's investment portfolio earned a return of 8.90% in 2023. The real rate of return, or the return after inflation, was 5.50%, exceeding the benchmark of 3.75% by 1.75% for 2023. WorkSafeNB's investment portfolio has exceeded the real rate of return target for the 25-year period ending December 31, 2023, producing an annualized after inflation return of 4.36%.

U.S. equity and international equity investments led the returns of the investment portfolio, returning 22.80% and 16.13%, respectively for 2023. The portfolio's U.S. real estate and European real estate were the lowest performing asset classes, returning (20.36%) and (25.30%), respectively.

While the expected average real return is 3.75% over long periods, the actual real rate of return can vary significantly over shorter periods due to short-term volatility in the financial markets where WorkSafeNB's portfolio is invested. The long-term fiscal strategy and investment policies document WorkSafeNB's strategy for maintaining investment and funding discipline in volatile markets.

## Financial Management

Capital markets remain uncertain, and it is critical that WorkSafeNB maintains a disciplined planning and decision-making process to protect the Accident Fund's integrity and stability. WorkSafeNB is a long-term investor with a strong financial position. This allows for patience and the ability to stay committed to proven investment principles and beliefs.

## RISKS

Trends and events within New Brunswick and across Canada are intricately linked to the achievement of our vision, with environmental, economic, and societal factors posing risks, as well as opportunities, for WorkSafeNB. To maximize opportunities and manage risks, the board of directors regularly reviews its strategic direction and the risks facing the organization and decides whether to reaffirm or adjust treatment of its risk portfolio and its strategies.

WorkSafeNB plays an important role in New Brunswick's economy. Our 2022-2024 strategic plan is based on three focus areas that form the foundation of our work moving forward to ensure New Brunswick is the safest place to work and that it is sustainable for years to come. The plan demonstrates how we will provide public value by focusing on People, Prevention, and Integrity, including specific strategies, objectives, measures, and targets for 2022-2024.

In 2023, 12 enterprise level risks were also identified (at a moderate level of residual risk) and are being monitored and managed by WorkSafeNB. These include culture and values, cybersecurity, psychological health and safety, data governance, resourcing – modernization, compliance, training & development, crisis management, vendor execution, privacy breach, client demand, and supply chain.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

## LOOKING AHEAD

Looking ahead to 2024, we continue to be inspired by our values – Accountability, Collaboration, Trust and our unwavering focus on People, Prevention and Integrity. At the centre of 2024 is our continued modernization journey, which is all about building a strong foundation to support the WorkSafeNB of the future – it will position us as an employer of choice, speed up the claims process so workers safely return to work more quickly, and help employers prevent injury, based on better data. Modernization will create a sustainable WorkSafeNB, with the systems we need to continue the progress this province is seeing with fewer workplace injuries.

Key initiatives for 2024 include:

### OUR PEOPLE, OUR STRENGTH

At WorkSafeNB, we firmly believe that our people are our greatest strength. We're committed to becoming the employer of choice, fostering a culture where every team member can thrive. Our focus this year is cultivating a workplace culture that embodies our three core values: Accountability, Collaboration and Trust, and propels the success of each colleague. As a strategic move, we're channeling substantial investments into learning and development (L&D), ensuring an overarching framework and continuous skill enhancement and professional development for everyone. Simultaneously, our 2024 agenda includes the formalization of a robust Inclusion, Diversity, Equity and Accessibility (IDEA) framework, actively embracing and celebrating the unique strengths that diverse perspectives bring to our organization. At the core of our initiatives is the creation of a psychologically-safe environment, fostering open communication and idea-sharing. We will also develop a strategy and tools to implement internally, as an employer, and to share externally to support our vision of making New Brunswick the safest place to work.

### DIGITAL REVOLUTION: TRANSFORMING WORKSAFENB CLIENT EXPERIENCES

WorkSafeNB is committed to leveraging cutting-edge technology to elevate client experiences and redefine service standards. Our modernization initiative, Front-end Client Interface Strategy, is a response to the evolving needs of employers, injured workers and medical professionals. Imagine a future where interactions with WorkSafeNB are seamless, accessible and personalized. Our goal is to eradicate inefficiencies, communication delays and process redundancies by embracing a modern, multi-channel, digital approach. At the forefront of this tech revolution is our commitment to an intuitive user experience, offering New Brunswickers a range of options for connecting with WorkSafeNB. At the same time, modernization's Business Intelligence project empowers us to make informed decisions through effective data governance and analytics. By harnessing technology, embracing automation and prioritizing client empowerment, we're building a digitally-enabled experience that not only supports our communities, but also ensures a safer, healthier province.

### ENHANCING SUPPORT FOR INJURED WORKERS: A PEOPLE-CENTRIC APPROACH

At WorkSafeNB, balance takes center stage as we navigate the delicate balance between affordable and fair assessment rates for employers and providing a robust suite of benefits for injured workers and their families. Following an in-depth consultation and benefits review, we're proud

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

that in 2024, we're seeking two pivotal benefit enhancements – an increase in the loss of earnings benefit from 85% to 90% and an increase to the maximum annual earnings threshold. These improvements would ensure that more workers would have a greater portion of their earnings covered and not only align us with most of our counterparts in Canada, but also underscore our commitment to alleviating the financial strain faced by workers during their recovery. This initiative requires legislative change, and we look forward to working together with the Government of New Brunswick to advance this priority.

## **ELEVATING EXPERIENCE THROUGH NEW SERVICE DELIVERY MODELS**

In 2024, WorkSafeNB is prioritizing people-centric service delivery models. We're reviewing processes in Pensions, Long-Term Disability and Workforce Re-entry, ensuring all the right support is available for those critically injured or unable to return to their previous occupation. As we continue to embrace our Care Closer to Home model introduced last year, we will continue strengthening health care partnerships and leveraging New Brunswick's network for optimal service. Our Care Closer to Home model prioritizes local medical treatment, maintaining workers' connections with family and friends during recovery. This comprehensive approach to reviewing service offerings that are responsive to changing environments aims to provide the best service to New Brunswick's workers and employers.

## **TARGETED, SECTOR-SPECIFIC SUPPORT FOR OVERALL SAFETY**

WorkSafeNB's commitment is to ensure all workplaces have the tools and support to keep themselves safe and healthy. At times, however, certain industries or occupations need extra help. In 2024, we are focusing our efforts on improving support for fishers, who – starting in June – will be subject to compliance with the *Occupational Health and Safety (OHS) Act*. We're also focusing on building new frameworks and tools for workplaces and industries in which employees are prone to psychological health and safety injuries. Nurses, long-term resident care providers, first responders and correctional facility workers – and employers in those occupations – may need additional guidance and support to reduce psychological injury and illness. Providing such focus ensures we're meeting the needs of changing work environments, adapting to risks and trends that affect our workers.

## **CREATING A PSYCHOLOGICALLY SAFE AND HEALTHY NEW BRUNSWICK**

With mental health-related injuries and illness on the rise, we know we must do more to support our workplaces. In 2024, WorkSafeNB is investing in a strategy that involves the addition of specialized mental health professionals to our Prevention team. This group will proactively consult and guide workplaces, reviewing policies, programs and more to build strong cultures of psychologically safe workplaces. We will also develop comprehensive, user-friendly online tools, accessible to workers and employers, to help raise awareness of risks, responsibilities and strategies to enable a strong foundation of psychological safety at work. Through prevention efforts, we can minimize these invisible injury risks in the workplace and enable workers and employers to better support colleagues affected by mental health injury and illness.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

## **PREVENTING DISABILITY THROUGH CUSTOMIZED CARE AND PARTNERSHIPS**

When a worker becomes ill or injured at the workplace, they can often return to their job with minor impact. For a smaller percentage of workers, however, they need a change in occupation. Finding meaningful alternate work is critical for productivity and self-value, avoiding disability. In 2024, we're reviewing how we can help these workers, ensuring we're following best practices and leveraging available opportunities in our province. We're also maturing our early intervention support. We recently developed teams that provide early, customized support from the onset of recovery. The Stay-at-Work Support and Early Intervention teams will further evolve in 2024, building on their knowledge and expertise, and continuing to provide seamless, tailored support that best serves workers and employers. We're also working closely with health care partners to increase awareness and collaboration among providers, employers and WorkSafeNB. Through increased education and teamwork, we're building a model where work is part of a worker's recovery, enabling their successful journey.

## **LEGISLATIVE CHANGE TO ADAPT TO CHANGING WORKPLACES**

Occupational health and safety best practices constantly evolve, adapting to meet our changing workplace needs. General Regulation 91-191 is undergoing numerous legislative changes to enhance health and safety. The third and final phase of these changes is expected to be complete in 2024. It affects topics of explosives, hearing loss prevention, laser radiation, portable compressed gas containers, lighting, emergency eyewash and shower requirements, ladders, personal protective equipment, X-ray safety, demolition and scaffolding. WorkSafeNB will also be reviewing Regulation 96-105 Underground Mine.

## **OUR MODERNIZATION JOURNEY: CORE SYSTEMS**

In 2024, WorkSafeNB will drive forward with our extensive modernization efforts, honing in on the replacement of our finance, human resources and claims management systems. As we venture into new territory of finalizing requirements, procuring modern solutions and eventual implementation of the new technology, our focus remains steadfast on achieving seamless integration, fostering operational efficiency, adaptability and an exceptional employee and client experience.

# MANAGEMENT DISCUSSION AND ANALYSIS OF 2023 CONSOLIDATED FINANCIAL STATEMENTS AND OPERATING RESULTS CONTINUED

## FINANCIAL EXCELLENCE

In 2024, WorkSafeNB remains steadfast in our commitment to financial excellence. Our dedication to keeping assessment rates competitive underscores our understanding of the economic impact on businesses. Looking ahead, our board of directors is proactively conducting an asset liability study for long-term success, aligning our financial planning with obligations and goals. Notably, new reporting requirements under the International Financial Reporting Standards for Insurance Contracts (IFRS 17) will reshape this year's financial statements, mainly with an increase in balance sheet liabilities. It's important to note that these changes won't affect the core economic fundamentals of our workers' compensation system. Our board's commitment to a long-term perspective in achieving the targeted funding levels and setting assessment rates remains unwavering.

## LEGISLATIVE INNOVATIONS: FORGING A SAFER PATH FORWARD

New Brunswick is poised for exploring significant legislative changes in 2024. WorkSafeNB will embark on a comprehensive consultation that endeavours to merge the *Firefighters' Compensation (FC) Act* with the *Workers' Compensation (WC) Act*. This initiative not only addresses the longstanding call from firefighters to expand the list of presumptive cancers, but also streamlines the claims process, ensuring expeditious support. Concurrently, a public consultation, launched in 2023, concluded and explored the introduction of a presumptive clause for correctional officers who have suffered a traumatic psychological injury such as post-traumatic stress disorder (PTSD). WorkSafeNB's board of directors will pursue this legislative change in 2024. These combined efforts demonstrate a commitment to recognizing and safeguarding the well-being of essential workers, ushering in a safer and more supportive legislative framework.

## CULTIVATING COLLABORATION

In 2024, our commitment to stakeholder engagement remains paramount. We're dedicated to fostering strong relationships in industries facing new challenges, such as fisheries; seeking continuous feedback from stakeholders on proposed legislative changes by those impacted; and ensuring that the perspectives of workers and employers shape our decision-making processes. We believe that collaboration is key to navigating these changes successfully. In 2024, we will strengthen our engagement strategy through new tools and platforms, seeking additional opportunities to connect, and proactively keeping workers, employers, government and partners informed of safety and return to work efforts. This commitment reflects our belief in the power of collaboration and partnership, propelling us toward a future where our collective efforts create a system that best serves our clients.

## SUMMARY

As we approach 2024 and our ambitious objectives, we know that our success is tied directly to all the workers, employers, healthcare providers, and other stakeholders who partner with us to make New Brunswick the safest place to work. We look forward to continuing to strengthen these relationships, live up to the trust that you put in us everyday, and provide value to you and our communities.

# MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

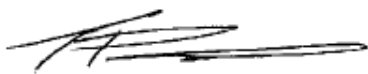
WorkSafeNB's consolidated financial statements were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgments, estimates and actuarial assumptions. This responsibility includes selecting and applying appropriate accounting principles and actuarial assumptions consistent with International Financial Reporting Standards.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management maintains the internal controls necessary to provide reasonable assurance that relevant and reliable financial information is produced, and that assets are properly safeguarded. The Internal Audit Department conducts reviews to ensure that WorkSafeNB's internal controls and procedures are adequate, consistent, and applied uniformly.

The board of directors is responsible for evaluating management in the performance of financial reporting responsibilities, and has approved the consolidated financial statements included in this annual report. The board of directors is assisted by the Audit Committee, which reviews and recommends approval of the consolidated financial statements and meets periodically with management, the independent actuaries, the independent auditors and the internal auditor, concerning internal controls and all other matters relating to financial reporting.

Eckler, WorkSafeNB's independent consulting actuary, has completed an actuarial valuation of the benefits liabilities included in WorkSafeNB's consolidated financial statements and reported thereon in accordance with accepted actuarial principles.

Grant Thornton, WorkSafeNB's independent auditors, has performed an audit of WorkSafeNB's consolidated financial statements in accordance with International Financial Reporting Standards. The Independent Auditors' Report outlines the scope of this independent audit and includes the opinion expressed on the consolidated financial statements.



Tim Petersen, CPA, CA  
President and Chief Executive Officer  
WorkSafeNB



Carolyn MacDonald  
Acting Chief Financial Officer  
WorkSafeNB

# ACTUARIAL STATEMENT OF OPINION – IFRS 17 BASIS



We have completed the actuarial valuation of the benefits liability of the Workplace Health, Safety and Compensation Commission (“WorkSafeNB”) at December 31, 2023 (the “valuation date”) in accordance with the requirements under IFRS 17. The valuation is based on the provisions of the *Workers’ Compensation Act of New Brunswick* and on WorkSafeNB’s policies and practices in effect on the valuation date.

The estimate of the insurance contract liability for assessed employers under IFRS 17 as at the valuation date is \$1,370,649,000. The insurance contract liability includes a provision for benefits and administration expenses expected to be paid after the valuation date for accidents that occurred on or before the valuation date. The insurance contract liability also includes a provision for long-latency occupational disease claims associated with exposure that occurred on or before the valuation date. Self-insured employers are not included in this valuation.

Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part. In our opinion:

1. The data on which the valuation is based are sufficient and reliable for the purpose of the valuation. Data for the valuation was supplied by WorkSafeNB in accordance with specifications provided by us and we applied such checks of reasonableness of the data as we considered appropriate.
2. The assumptions used are appropriate for financial reporting purposes under IFRS 17. The discount rate and economic assumptions used in the valuation are disclosed in Note 4 to the financial statements.
3. The methods employed in the valuation are appropriate for the purpose of the valuation.
4. The amount of the insurance contract liability makes appropriate provision for all personal injury compensation obligations given the plan’s accounting.

The valuation report has been prepared and our opinions have been given in accordance with accepted actuarial practice in Canada.

Further information on the data, assumptions, methods, and valuation results can be found in the actuarial valuation report. Emerging experience, differing from the assumptions, will result in gains or losses which will be revealed in future valuations.

Respectfully submitted,

A handwritten signature in black ink that reads "Thane MacKay".

Thane MacKay, FCIA  
June 2024

This report has been peer reviewed by Jeff Turnbull, FCIA

# INDEPENDENT AUDITOR'S REPORT

To the members of the board of directors

## WORKSAFENB

### Opinion

We have audited the consolidated financial statements of Workplace Health, Safety and Compensation Commission of New Brunswick (operating as “WorkSafeNB”), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of WorkSafeNB as at December 31, 2023, and its consolidated financial performance and its cash flows for the year then ended in accordance IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of WorkSafeNB in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Restated Comparative Information

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information presented for the December 31, 2022 year ended has been restated. Our opinion is not modified in respect of this matter.

### Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the Annual Report but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing WorkSafeNB's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing WorkSafeNB's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WorkSafeNB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT CONTINUED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WorkSafeNB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WorkSafeNB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within WorkSafeNB to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Grant Thornton LLP  
Chartered Professional Accountants

Saint John, Canada  
June 6, 2024

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

	<b>December 31</b>	(Note 2) Restated December 31	(Note 2) Restated January 1
	<b>2023</b>	2022	2022
<b>ASSETS</b>			
Cash and cash equivalents (Note 6)	<b>\$ 66,306</b>	\$ 69,534	\$ 70,191
Receivables and other (Note 7)	<b>8,985</b>	7,876	7,462
Investments (Notes 8 and 9)	<b>1,999,797</b>	1,853,056	1,925,352
Capital assets (Note 10)	<b>3,193</b>	6,919	7,564
<b>Total assets</b>	<b>\$ 2,078,281</b>	<u>\$ 1,937,385</u>	<u>\$ 2,010,569</u>
<b>LIABILITIES</b>			
Payables and accruals (Note 11)	<b>\$ 7,868</b>	\$ 6,515	\$ 11,042
Self-insured pension annuity liabilities (Note 12)	<b>17,539</b>	16,429	16,512
Insurance contract liabilities (Notes 4, 5 and 13)	<b>1,370,649</b>	1,353,247	1,695,882
<b>Total liabilities</b>	<b>1,396,056</b>	<u>1,376,191</u>	<u>1,723,436</u>
<b>NET ASSETS</b>			
WorkSafeNB net assets	<b>646,620</b>	527,421	250,698
Non-controlling interests (Note 3)	<b>35,605</b>	33,773	36,435
Total net assets	<b>682,225</b>	<u>561,194</u>	<u>287,133</u>
<b>Total liabilities and net assets</b>	<b>\$ 2,078,281</b>	<u>\$ 1,937,385</u>	<u>\$ 2,010,569</u>

On behalf of the board of directors:



**James E. A. Stanley**

Audit Committee, Board of Directors



**Adam Donnelly**

Audit Committee, Board of Directors



**Mel Norton**

Chairperson, Board of Directors

The accompanying notes form an integral part of the consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of dollars)

	<u>2023</u>	(Note 2) Restated <u>2022</u>
<b>INSURANCE SERVICE</b>		
Insurance revenue	\$ 166,870	\$ 194,893
Insurance service expenses (Note 14)	<u>(81,735)</u>	<u>(26,115)</u>
<b>Net insurance service result (Note 13)</b>	<u>85,135</u>	<u>168,778</u>
<b>NET INVESTMENT INCOME (LOSS) (Note 8)</b>	<b>159,627</b>	(74,837)
<b>NET INSURANCE FINANCE (EXPENSE) INCOME (Note 15)</b>	<b>(113,897)</b>	192,358
<b>ADMINISTRATION AND OTHER EXPENSES (Note 18)</b>	<b>(14,832)</b>	(8,627)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 116,033</u>	<u>\$ 277,672</u>
<b>EXCESS OF REVENUES OVER EXPENSES ATTRIBUTABLE TO:</b>		
WorkSafeNB stakeholders	\$ 119,199	\$ 276,723
Non-controlling interests (Note 3)	<u>(3,166)</u>	<u>949</u>
	<u>\$ 116,033</u>	<u>\$ 277,672</u>

The accompanying notes form an integral part of the consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of dollars)

	<b>2023</b>	(Note 2) Restated 2022
	<u>2023</u>	<u>2022</u>
<b>WorkSafeNB net assets, beginning of year</b>	<b>\$ 527,421</b>	\$ 639,859
Impact of initial adoption of IFRS 17	–	(389,161)
Restated balance, beginning of year	<b>527,421</b>	250,698
Excess of revenues over expenses	<b>119,199</b>	276,723
<b>WorkSafeNB net assets, end of year</b>	<b>\$ 646,620</b>	\$ 527,421
<b>Non-controlling interests, beginning of year</b>	<b>\$ 33,773</b>	\$ 36,435
Capital contributions by non-controlling interests	<b>7,232</b>	3,588
Distributions to non-controlling interests	<b>(2,234)</b>	(7,199)
Excess of revenues over (expenses)	<b>(3,166)</b>	949
<b>Non-controlling interests, end of year</b>	<b>35,605</b>	33,773
<b>Total net assets</b>	<b>\$ 682,225</b>	\$ 561,194

The accompanying notes form an integral part of the consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

(in thousands of dollars)

	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities</b>		
Cash received from:		
Employer assessments	\$ 185,069	\$ 209,807
Interest and dividends	53,138	45,234
Cash paid to:		
Injured workers or third parties on their behalf	(134,102)	(135,477)
Suppliers and employees, for administration and other services	(77,316)	(73,147)
Net cash provided by operating activities	<u>26,789</u>	<u>46,417</u>
<b>Cash flow from investing activities</b>		
Cash received from:		
Sale of investments	430,047	1,036,976
Contributions by non-controlling interests	7,175	3,825
Cash paid for:		
Purchase of investments	(463,797)	(1,079,413)
Purchase of capital assets	(1,131)	(991)
Distributions to non-controlling interests	(2,208)	(7,379)
Net cash used in investing activities	<u>(29,914)</u>	<u>(46,982)</u>
<b>Cash flow from financing activities</b>		
Repayment of lease liabilities	(104)	(92)
Net cash used in financing activities	<u>(104)</u>	<u>(92)</u>
Decrease in cash during the year	(3,228)	(657)
Cash and cash equivalents, beginning of year	69,534	70,191
<b>Cash and cash equivalents, end of year</b>	<u>\$ 66,306</u>	<u>\$ 69,534</u>

The accompanying notes form an integral part of the consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 1. AUTHORITY AND NATURE OF OPERATIONS

The Workplace Health, Safety and Compensation Commission (operating as WorkSafeNB) was established by the New Brunswick Legislature effective January 1, 1995, under the *Workplace Health, Safety and Compensation Commission Act (WHSCC Act)*. WorkSafeNB, having its head office at 1 Portland Street, Saint John, New Brunswick, is responsible for administering the *Workplace Health, Safety and Compensation Commission and Workers' Compensation Appeals Tribunal Act (WHSCC & WCAT Act)*, the *Workers' Compensation Act (WC Act)*, and the *Occupational Health and Safety Act (OHS Act)*; and, in accordance with the provisions of these acts, for promoting accident prevention; administering benefits payments to injured workers and surviving spouses; and levying and collecting employer assessments sufficient to fund the current and future costs of existing claims.

WorkSafeNB is also responsible for administering the *Firefighters' Compensation Act (FC Act)* and, in accordance with the provisions of the Act, for administering the payment of benefits to firefighters or former firefighters and dependants, and levying and collecting assessments from municipalities and rural districts. The results of operations under the *FC Act* are not included in WorkSafeNB's consolidated financial statements, as WorkSafeNB does not control the *FC Act* Disability Fund. A separate set of financial statements is prepared for the *FC Act*.

WorkSafeNB's consolidated financial statements were authorized for issue by the board of directors on June 6, 2024.

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS

The International Accounting Standards Board (the IASB) is continually working toward improving and developing new accounting standards. The IASB has issued a number of exposure drafts of new standards that are expected to come into effect over the next several years. WorkSafeNB continually monitors the IASB work plans and publications to assess any potential impact on the organization. WorkSafeNB adopted the following new and amended standards on January 1, 2023.

#### **IFRS 17 – Insurance Contracts**

##### **Summary**

The adoption of IFRS 17 Insurance Contracts has a significant impact on the presentation of WorkSafeNB's consolidated financial statements.

WorkSafeNB adopted IFRS 17 Insurance Contracts, effective January 1, 2023 using the full retrospective approach on transition to IFRS 17. Under this approach, consolidated financial statements for reporting periods after adoption are presented in accordance with IFRS 17 and prior-period consolidated financial statements have been restated to the date of transition, January 1, 2022, to be presented in accordance with IFRS 17 rather than IFRS 4, the accounting standard originally in effect for such periods. On adoption of IFRS 17, WorkSafeNB's net assets, as at January 1, 2022, decreased by approximately \$389,161 thousand as a result of the change in discount rate and recognition of the onerous loss liability.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

In adopting IFRS 17, WorkSafeNB elected to utilize certain available policy choices permitted under IFRS 17. WorkSafeNB elected not to disaggregate insurance finance income or expenses between profit and loss and Other Comprehensive Income and present the full effect of the change in discount rates in the profit and loss.

The following table reconciles WorkSafeNB's assets and benefits liabilities as at December 31, 2021, as previously disclosed in WorkSafeNB's annual audited consolidated financial statements, to WorkSafeNB's restated assets and insurance contract liabilities on initial application of IFRS 17 on January 1, 2022.

As at January 1, 2022	Impact of IFRS 17			IFRS 17
	IFRS 4	Presentation <sup>1</sup>	Measurement <sup>2</sup>	
Total assets	\$ 2,024,190	(13,621)	–	\$ 2,010,569
Total liabilities	1,347,896	(13,621)	389,161	1,723,436
Net assets attributable to				
WorkSafeNB stakeholders	639,859	–	(389,161)	250,698
Non-controlling interests	36,435	–	–	36,435

1. Due to the reclassification of insurance related receivables and payables to Insurance contract liabilities

2. Due to new measurement methodology prescribed by IFRS 17

#### Significant judgments in applying IFRS 17

The changes to the classification, measurement, presentation and disclosure of insurance results in WorkSafeNB's consolidated financial statements can be summarized as follows:

##### Classification

The classification of insurance contracts remains the same under IFRS 17, as WorkSafeNB still has significant insurance risk from its contracts with assessed employers. WorkSafeNB assesses its insurance contracts to determine whether they contain distinct components which must be accounted for under IFRS 17 to all remaining components of the insurance contract. As was the case under IFRS 4, WorkSafeNB continues to separate its arrangement with self-insured employers and applies IFRS 15 Revenue from Contracts with Customers, as further described in Note 19.

##### Level of aggregation

WorkSafeNB determines its level of aggregation for the insurance contracts by first identifying the portfolios of insurance contracts. Portfolios comprise of groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: (i) onerous contracts, (ii) contracts with no significant risk of becoming onerous, and (iii) the remainder. Groups of contracts contain contracts issued no more than one year apart.



# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

WorkSafeNB's arrangement with assessed employers gives rise to a single portfolio as the insurance contracts with assessed employers are subject to similar risks and are managed together. This portfolio is further disaggregated into groups of contracts that are issued within a calendar year. Due to the nature of WorkSafeNB's operations and management strategies, and the process for which assessment rates are determined, first at the system level and ultimately at the employer level, all contracts are classified as onerous at initial recognition as the operations are based on the collective risk of all insured employers. It follows that the categories of contracts with (i) no significant risk of becoming onerous and (ii) other remaining contracts are not applicable. WorkSafeNB performs this profitability assessment annually.

#### **Onerous contracts**

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract results in a total net outflow. Groups of insurance contracts expected to be onerous are distinguished from groups of insurance contracts that are not expected to be onerous. Where facts and circumstances indicate that insurance contracts are onerous at initial recognition, WorkSafeNB recognizes a liability to reflect the expected net outflow as applicable. The recognition of this liability results in a loss recognized in the period it arises.

WorkSafeNB has developed a methodology to identify the indicators of onerous contracts and to determine the onerous loss component at the aggregate system level over all assessed employers (i.e., the portfolio level of insurance contracts). Subsequent to initial recognition, the loss component is amortized through net income over the coverage period such that the onerous loss liability will be nil at the end of the coverage period (December 31) and a new onerous loss liability pertaining to the following premium year will be recognized at the beginning of that coverage period (January 1st of the premium year).

#### **Discount rate**

The discount rate used to reflect the time value of money in the fulfilment cash flows is based on the characteristics of the liabilities, rather than a discount rate based upon the expected long-term average rate of return of assets supporting those liabilities under IFRS 4.

All cash flows are discounted using marked-to-market risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. WorkSafeNB uses a bottom-up approach to determine a liquidity premium over risk-free rates based on the market spread of an asset reference portfolio adjusted to remove the credit losses, and to account for the difference in liquidity between the asset reference portfolio and the insurance contract. Given the highly illiquid nature of WorkSafeNB's insurance contracts, WorkSafeNB is using the illiquid reference curve provided regularly for the Canadian Institute of Actuaries by Fiera Capital.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

The annual spot rates applied for discounting of future cash flows are listed below:

Year	Annual spot rates	
	2023	2022
1	5.39%	5.61%
2	5.06%	5.41%
3	4.86%	5.28%
4	4.78%	5.20%
5	4.75%	5.15%
10	4.79%	5.20%
15	4.88%	5.37%
20	4.91%	5.45%
30	4.78%	5.10%
50	4.97%	5.13%
<b>Single-equivalent rate<sup>1</sup></b>	<b>4.86%</b>	<b>5.25%</b>

1. Single-equivalent is a derived spot rate that allows for the comparison or aggregation of cash flows that occur at different points in time.

#### ***Risk adjustment for non-financial risk***

The risk adjustment for non-financial risk is applied to the discounted cash flows and reflects the compensation WorkSafeNB requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as WorkSafeNB fulfils insurance contracts. WorkSafeNB generates sufficient insurance service results and income from investments to fully fund the operations of the insurance business and other administrative activities, therefore there is no compensation required or earned by WorkSafeNB for such risk and as such, the risk adjustment was determined to be de minimis and corresponds to a 50% confidence level, which is the probability that the actual outcome of future cash flows associated with WorkSafeNB's claims and expenses will be less than the liability.

#### ***Initial recognition***

WorkSafeNB recognizes groups of insurance contracts from the earliest of the following:

- The beginning of the coverage period of the group of contracts, or
- The date when the first payment is due from an employer or when the first payment is received, or
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

WorkSafeNB's insurance contracts are issued on a calendar year basis with initial recognition generally being January 1, aside from new employers. The contracts become effective on January 1 annually for existing employers, which coincides with the beginning of the coverage period and when the premium rates are considered binding.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

#### **Contract boundary**

WorkSafeNB includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the period in which WorkSafeNB can compel the policyholder to pay the premiums, or in which WorkSafeNB has a substantive obligation to provide the policyholder with insurance contract services. WorkSafeNB has determined the contract boundary for its insurance contracts to be one year as it only has the substantive right to compel assessed employers to pay premiums annually and has the practical ability to reassess the risks and set a price that fully reflects these risks on an annual basis.

#### **Measurement of insurance contracts**

Insurance contract liabilities are measured using one of the following measurement models:

a) The General Measurement Model (GMM)

The General Measurement Model requires insurance contracts to be measured using current estimates of discounted future cash flows, an adjustment for risk and a contractual service margin representing the profit expected from fulfilling the contracts.

b) The Premium Allocation Approach (PAA)

The Premium Allocation Approach is a simplified model that can be applied to insurance contracts with coverage periods of one year or less, or where the Premium Allocation Approach approximates the General Measurement Model. The Premium Allocation Approach includes discounted future cash flows and an adjustment for risk, but does not include a contractual service margin (i.e. referred to as “fulfilment cash flows”).

WorkSafeNB has assessed the coverage period of all of its insurance contracts as one year in length, and as such, has applied the Premium Allocation Approach on to all insurance contracts.

#### **Premium Allocation Approach**

##### **Recognition**

WorkSafeNB applies this model to all insurance contracts.

##### **Measurement**

WorkSafeNB's Insurance contract liabilities is comprised of two components: 1) Liabilities for remaining coverage comprising fulfilment cash flows related to future service allocated to each group of contracts at period end and 2) Liabilities for incurred claims comprising the fulfilment cash flows related to past service allocated to each group of contracts at period end.

##### *Liabilities for remaining coverage*

On initial recognition of each group of contracts, the carrying amount of the Liabilities for remaining coverage is measured at the premiums received on initial recognition.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

Subsequently, the carrying amount for the Liabilities for remaining coverage is increased by any premiums received and decreased by the amount recognized as insurance revenue for the coverage provided. On initial recognition of each group of contracts, WorkSafeNB expects that the time between providing each part of the coverage and the related premium due date is no more than a year. Accordingly, WorkSafeNB has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then WorkSafeNB recognizes a loss in the consolidated statement of operations and increases the Liabilities for remaining coverage.

#### *Liabilities for incurred claims*

WorkSafeNB recognizes the liabilities for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims.

Liabilities for incurred claims represent the actuarially determined present value of the estimated future payments for reported and unreported claims incurred on or prior to the reporting date using best estimate assumptions related to workers of assessed employers. These estimates and assumptions include claim duration, mortality rates, wage and health care escalations, general inflation, and discount rates. In addition, an obligation is estimated for claims in respect of occupational diseases currently recognized by WorkSafeNB for which a claim has not yet been reported. The future payments are for estimated obligations for short-term disability and rehabilitation costs, long-term disability costs, health care costs, survivor benefits, retirement income benefits, and claim administration costs. Changes in the estimates and assumptions can have a significant impact on the measurement of Insurance contract liabilities and claim costs.

Insurance contract liabilities do not include any amounts for claims related to workers of self-insured employers; these claims are ultimately paid by the self-insured employers and do not meet the definition of an insurance contract.

#### **Insurance revenue**

Insurance revenue is comprised of assessment premiums expected to be received during the coverage period and excluding any investment components. As WorkSafeNB's coverage period is one year, no adjustment is made to assessment premiums for the time value of money. Insurance revenue is recognized by allocating assessment premiums to each reporting period on the basis of the passage of time, which is the coverage period of one year.

#### **Insurance service expenses**

Insurance service expenses are comprised of fulfilment cash flows that are included within the boundary of WorkSafeNB's insurance contracts. These include payments to (or on behalf of) a policyholder, claims handling costs, policy administration and maintenance costs, and an allocation of fixed and variable overhead costs. These overhead costs are allocated to WorkSafeNB's insurance contracts using methods that are systematic and rational, which include significant estimates and judgement, and are consistently applied to all costs that have similar characteristics.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

#### **Insurance finance expense (income)**

Insurance finance expense or income is comprised of the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

#### **IFRS 9 – Financial Instruments**

##### **Summary**

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”) and includes guidance on the classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. The measurement of WorkSafeNB’s financial liabilities remains the same upon transition to IFRS 9.

##### **Changes to classification and measurement**

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables at amortized cost have been replaced by the following under IFRS 9:

- Amortized cost – a financial asset is measured at amortized cost if the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual cash flows pass the “solely payments of principal and interest” (“SPPI”) test;
- Fair value through other comprehensive income (FVOCI) - financial assets are classified and measured at FVOCI if the assets are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual cash flows pass the SPPI test.
- Fair value through profit or loss (FVTPL) – any financial assets that do not meet the measurement criteria for Amortized cost or FVOCI. Specifically, a business model in which an entity manages the financial assets with the objective of realizing cash flows through the sale of assets and the entity makes decisions based on the asset’s fair values and manages the assets to realize those fair values.

Under IFRS 9, the classification of a financial asset is based on the business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Depending on the assessment, a financial asset is either classified as fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”), or amortized cost.

WorkSafeNB’s primary business model is to manage financial assets with the objective of realizing cash flows through the sale of assets and making decisions based on the assets’ fair values and managing the assets to realize those fair values. Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual cash flows pass the solely payments of principal and interest test (“SPPI”).

The adoption of IFRS 9 does not have a significant impact on WorkSafeNB’s consolidated financial statements as most of WorkSafeNB’s financial instruments continue to be measured at FVTPL and WorkSafeNB has no financial assets that are classified as FVOCI.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 2. NEW OR REVISED ACCOUNTING STANDARDS OR INTERPRETATIONS CONTINUED

#### **Changes to the impairment calculation**

The new forward-looking expected credit loss (“ECL”) model introduced by IFRS 9 replaces the “incurred loss” model under IAS 39 for the recognition and measurement of impairment on all financial instruments not measured at fair value. The adoption of the new expected loss model is applied prospectively.

IFRS 9 requires an allowance for ECL for all financial assets that are not held at FVTPL. Under the IFRS 9 expected credit loss methodology, an allowance is recorded for expected credit losses on financial assets regardless of whether there has been an actual loss event. The ECL model does not have a significant impact on WorkSafeNB’s financial assets classified as amortized cost as their carrying value approximates their fair value (which takes into consideration future credit losses) due to their short-term nature.

#### **Changes to presentation and disclosure**

As the impact of IFRS 9 is not significant to WorkSafeNB, there are no material changes to presentation and disclosure.

#### **Transition**

The transition to IFRS 9 is applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. IFRS 9 does not have a significant impact on the financial statements. No adjustments were required to restate the prior period balances.

#### **Other amended standards adopted in 2023**

WorkSafeNB adopted the following amendments on January 1, 2023. The adoption of these amendments did not have a significant impact on the consolidated financial statements.

#### ***IAS 1 – Presentation of Financial Statements (Amendment)***

The amendments to IAS 1 replace the requirement to disclose significant accounting policies with a requirement to disclose material accounting policies. The IASB has issued guidance to assist in the application of the concept of materiality when making judgments about accounting policy disclosures.

#### ***IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)***

The amendments to IAS 8 clarify the definition of accounting estimates and that a change in accounting estimates resulting from new information or new developments is not the correction of an error.

#### **Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early**

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been adopted early by WorkSafeNB and no Interpretations have been issued that are applicable and need to be taken into consideration by WorkSafeNB at the reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 3. MATERIAL ACCOUNTING POLICIES AND PRACTICES

The accounting policies set out below have been applied in preparing the consolidated financial statements for the year ended December 31, 2023 and the comparative information for the year ended December 31, 2022.

Accounting policies are selected and applied to ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

#### (a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) in effect at December 31, 2023 and are presented in thousands (000s) of Canadian dollars, unless otherwise stated.

WorkSafeNB's consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities, which are measured at fair value, as explained in the accounting policies below.

#### (b) Basis of consolidation

The consolidated financial statements include the accounts of WorkSafeNB and WorkSafeNB Investments Limited (WSNBIL). WSNBIL is a subsidiary over which WorkSafeNB exercises control, which is defined as having the power to direct the relevant activities of an entity, having exposure or rights to variable returns of the entity, and having the ability to affect the returns through the power it holds. WSNBIL holds infrastructure and real estate assets in trust for WorkSafeNB, the Workers Compensation Board of Prince Edward Island (WCB of PEI) and the *FC Act* Disability Fund. The proportionate ownership of the net assets as at December 31, 2023 was: WorkSafeNB – 88.4% (2022 – 87.9%), WCB of PEI – 10.0% (2022 – 10.6%), *FC Act* Disability Fund – 1.6% (2022 – 1.5%). All transactions and balances between WorkSafeNB and WSNBIL are eliminated on consolidation.

Non-controlling interests, presented as part of equity, represent the portion of WSNBIL's net assets that are held by the WCB of PEI and the *FC Act* Disability Fund.

#### (c) Use of accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying WorkSafeNB's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, have been disclosed in Notes 2, 3 and 4. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could be higher or lower than these estimates.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023

(in thousands of dollars)

### 3. MATERIAL ACCOUNTING POLICIES AND PRACTICES CONTINUED

#### (d) Critical accounting judgments

Management incorporates critical judgments in developing and applying accounting policies for recognition and measurement. These judgments have a direct effect on the initial and subsequent recognition and measurement of transactions and balances in the consolidated financial statements. Management has based its judgments and assumptions on information available at the time of preparing the consolidated financial statements.

#### (e) Cash and cash equivalents

Cash and cash equivalents are recorded at cost, which approximates fair value, and consist of cash and fixed income instruments with maturities of less than one year.

#### (f) Insurance revenue

Insurance revenue is calculated on actual or estimated payrolls as reported by the employer, or on arbitrary assessments as determined by WorkSafeNB. Separate assessment rates are established for each industry classification.

A portion of insurance revenue for the year is not billed or received until after year-end. The receivable is determined based on amounts billed and received subsequent to year-end. Any difference between unbilled insurance revenue and the actual insurance revenue received is credited or charged to revenue in the following year.

#### (g) Investments

All portfolio investments are classified by WorkSafeNB as fair value through profit or loss (FVTPL). All investment income, and changes in fair value are included in investment income. Interest and dividend income is recognized in the period earned and realized gains and losses are recognized in the period in which they arise. Unrealized gains and losses are included in investment income and recognized in the period in which they arise. All purchases and sales of securities classified as portfolio investments are recognized using trade-date accounting.

The portfolio is managed and its performance is evaluated on a fair value basis, in accordance with the policies and directives that document WorkSafeNB's investment strategy and risk controls. The portfolio investments are held to provide for the insurance contract liabilities. The most relevant measure to assess whether the investments are sufficient to pay for the liabilities is fair value. As the portfolio investments are a key part of WorkSafeNB's ongoing insurance operations, the interest and dividend income and the realized and unrealized gains and losses on the portfolio investments are recognized in income from operations.

Fair values of investments are determined as follows:

- Publicly traded equity securities are valued at their year-end quoted market prices as reported on recognized public securities exchanges.
- Fixed-term investments are valued at their year-end closing market prices or the average of the latest bid/ask prices, based on available public quotations from recognized dealers in such securities.
- Commercial paper, short-term notes and treasury bills and term deposits maturing within a year are valued at either their year-end closing or bid price, based on available quotations from recognized dealers in such securities, or at cost plus accrued interest, which approximates fair value.



# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 3. MATERIAL ACCOUNTING POLICIES AND PRACTICES CONTINUED

- Pooled fund units are valued at their year-end net asset value, as determined by the fund manager or administrator. For pooled funds holding equity and fixed-income assets, these values represent WorkSafeNB's proportionate share of underlying net assets at fair values determined using either quoted market prices or year-end closing market prices or the average of the latest bid/ask prices, based on available public quotations from recognized dealers in such securities. For pooled funds holding derivatives, cleared derivatives are valued at the closing price quoted by the relevant clearing house, and over-the-counter derivatives are valued using an industry standard model. Exchange-traded options are valued at the last sale price or the closing bid price for long positions and the closing ask price for short positions. For real estate pooled funds classified as level 2 in the fair value hierarchy, these values represent WorkSafeNB's proportionate share of the underlying net assets at fair values determined using independent appraisals, net of any liabilities against the fund assets. For infrastructure pooled funds and real estate pooled funds classified as level 3 in the fair value hierarchy, these values represent WorkSafeNB's proportionate share of the underlying net assets at fair values estimated using one or more methodologies, including discounted cash flows, multiples of earnings measures, and recent comparable transactions. In the first year of ownership, cost is considered to be an appropriate estimate of fair value.
- Forward foreign exchange contracts are valued at their net unrealized gain or loss, based on quoted market exchange rates at the statement of financial position date.

#### **(h) Foreign currencies**

Assets denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the Statement of Financial Position date. Income from these assets is translated at the rate in effect at the time the income is received.

Realized exchange gains or losses are included in investment income and recognized in the period earned. Unrealized exchange gains or losses resulting from the translation of foreign currency denominated asset balances are recorded in investment income in the period in which they arise.

#### **(i) Insurance contract liabilities**

Insurance contract liabilities represent the actuarial present value of all future benefits payments expected to be made for claims that occurred in the current fiscal year or in any prior year. The insurance contract liabilities include provision for all benefits provided by current legislation, policies and administrative practices of existing claims. Insurance contract liabilities also include the estimated liability for latent occupational disease and a provision for future administration costs of existing claims. Due to the nature of the estimated liability for latent occupational disease and the extent of related historical claims information available, this liability is more uncertain by its nature than other benefits liabilities. As information is accumulated and analyzed, adjustments may be necessary to improve precision.

The insurance contract liability calculations are completed by WorkSafeNB's internal actuarial staff, in accordance with accepted actuarial practice established by the Canadian Institute of Actuaries.

It is WorkSafeNB's practice to have an independent consulting actuary complete a valuation of the insurance contract liabilities of WorkSafeNB every year. Actual future costs could be higher or lower than those amounts presented in the consolidated financial statements.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 3. MATERIAL ACCOUNTING POLICIES AND PRACTICES CONTINUED

A variety of estimation techniques are used to perform the valuation. They are generally based on statistical analyses of historical experience that assume that the development pattern of the current claims will be consistent with past experience.

To the extent possible, and when deemed more appropriate, valuation on an individual claim basis is used. More general techniques are used to estimate outstanding awards. Allowance is made, however, for changes or uncertainties that may create distortions in the underlying statistics or that might cause the cost of claims to increase or reduce when compared with the cost of previously settled claims including, but not limited to:

- Changes in WorkSafeNB processes that might accelerate or slow down the development and/or recording of claims.
- Changes in WorkSafeNB policies that might affect benefits.
- Changes in the legal environment.
- Medical and technological developments.

Multiple techniques are adopted to estimate the required level of provisions. This helps to better align the trends inherent in the data being projected to the benefit type being valued. The most appropriate estimation technique is selected taking into account the characteristics of the benefit type and the extent of the development of each accident year. Details of specific assumptions used in deriving the insurance contract liabilities at year-end are detailed in Note 4.

Pension annuity liabilities represent WorkSafeNB's obligation to provide retirement benefits to eligible injured workers of assessed or self-insured employers equal to the total contributions plus investment income earned on those contributions. As such, the pension annuity liability is measured at an amount equivalent to the fair value of the assets. At age 65, or upon death, the injured worker or their beneficiary receives a benefit from contributions made to their annuity account plus any investment income earned.

Assets attributable to pension annuities are included and managed as part of WorkSafeNB's investment portfolio.

WorkSafeNB contributes 10% of the loss of earnings benefits to the annuity account for injured workers who have received loss of earnings benefits for 24 consecutive months. For fatalities that occurred between January 1, 1982, and December 31, 1997, WorkSafeNB contributes 8% of the beneficiary's monthly benefit to their annuity account. For fatalities that occur on or after January 1, 1998, WorkSafeNB contributes 5% or 8% of the beneficiary's monthly benefit to their annuity account, depending on the option elected by the beneficiary under the post-1997 benefit provisions.

The pension annuities related to self-insured employers are classified as a self-insured pension annuity liability on the Statement of Financial Position and accounted for in accordance with IFRS 9 Financial Instruments. The pension annuity liabilities related to insured employers are considered insurance contract liabilities under IFRS 17 Insurance Contracts.

The changes related to the actuarial valuation of WorkSafeNB's future pension annuity contributions for insured injured workers and surviving spouses of assessed employers are recognized in insurance contract liabilities in the consolidated statements of financial position.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 3. MATERIAL ACCOUNTING POLICIES AND PRACTICES CONTINUED

#### (j) Leases

For any new contracts entered into, WorkSafeNB determines whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.” Upon determination that a contract is, or contains a lease, WorkSafeNB recognises a right-of-use asset and a lease liability. Upon lease commencement, the right-of-use asset is measured at cost and the lease liability is measured at the present value of the future lease payments. The right-of-use asset is depreciated on a straight-line basis to the earlier of the term of the lease or the useful life of the right-to-use asset. The lease liability is reduced over the lease term by payments made and increased for interest. Short-term leases (terms of 12-months or less) and low dollar value leases do not qualify for this accounting treatment.

#### (k) Capital assets

Capital assets are reported at cost and are depreciated on a straight-line basis over their estimated useful lives. The rates used are as follows:

Buildings	25 years
Right-of-use assets	Remaining term of relevant lease
Furniture and equipment	5 years
Leasehold improvements	Remaining term of relevant lease
Computer software and hardware	3 years
Motor vehicles	3 years, 35% residual value

The assets' residual values are reviewed each statement of financial position date and adjusted, if appropriate. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount, and are included in investment income.

As at December 31, 2023, items of property, plant and equipment were assessed for specific indicators of potential impairment. Such indicators include technological obsolescence and physical deterioration or loss. Management determined that there was no material impairment of individual operating assets.

#### (l) Post-employment benefits

Payables and accruals include an amount for post-employment benefits based on a January 1, 2024 actuarial valuation conducted by WorkSafeNB's independent consulting actuary. Post-employment benefits include retirement allowances and early retirement programs.

#### (m) WorkSafeNB's Rehabilitation Centre

Included in health care payments is \$3.0 million (2022 – \$4.6 million) for services provided by WorkSafeNB's Rehabilitation Centre.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 3. MATERIAL ACCOUNTING POLICIES AND PRACTICES CONTINUED

#### **(n) Impairment review**

Entity Level

IAS 36 (Impairment of Assets) requires an entity to test assets for impairment if indicators of impairment exist. The impairment review must be conducted for an individual asset, an asset group, or the cash-generating unit level, which is the smallest identifiable group of assets that generates cash inflows independent of cash inflows from other assets or groups of assets.

Based on an analysis of cash flows, WorkSafeNB has established that the appropriate cash-generating unit for impairment review is the entity. As WorkSafeNB has statutory power under the *WC Act* to increase assessments and/or impose levies to ensure full funding into the foreseeable future, impairment at the entity level is remote.

WorkSafeNB conducts an annual review to ensure that no events or change in circumstances have occurred that would provide evidence of impairment.

As at December 31, 2023, management concluded that there were no known significant changes in the legislative, economic or business environment that would have a material impact on WorkSafeNB's ability to generate future economic benefits from its operating assets.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 4. ACTUARIAL ASSUMPTIONS AND METHODS

Significant estimates and judgments are made on insurance contract liabilities disclosed in the consolidated financial statements. These estimates and judgments are continually evaluated and are based on historical experience, as well as enhancements to actuarial modeling techniques. The following explicit assumptions have been made in determining the insurance contract liabilities:

	2023			2022		
	CPI-indexed awards	Medical payments	Other payments	CPI-indexed awards	Medical payments (duration 16 and over)	Other payments (duration 16 and over)
Single-equivalent discount rate	<b>4.86%</b>	<b>4.86%</b>	<b>4.86%</b>	5.25%	5.25%	5.25%
Inflation - Year 1	<b>2.81%</b>	<b>N/A</b>	<b>N/A</b>	8.13%	5.25%	3.25%
- subsequent years	<b>2.25%</b>	<b>N/A</b>	<b>N/A</b>	2.25%	5.25%	3.25%
Future administration	<b>8.50%</b>	<b>8.50%</b>	<b>8.50%</b>	7.50%	7.50%	7.50%
Occupational disease	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	8.00%	8.00%	8.00%

A description of the processes used to determine these assumptions is provided below:

#### Single-equivalent discount rate

All cash flows are discounted using marked-to-market risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the insurance contracts. WorkSafeNB uses a bottom-up approach to determine a liquidity premium over risk-free rates based on the market spread of an asset reference portfolio adjusted to remove the credit losses, and to account for the difference in liquidity between the asset reference portfolio and the insurance contract. Given the highly illiquid nature of WorkSafeNB's insurance contracts, WorkSafeNB is using the illiquid reference curve provided regularly for the Canadian Institute of Actuaries by Fiera Capital. The single-equivalent is a derived spot rate that allows for the comparison or aggregation of cash flows that occur at different points in time.

#### CPI-indexed awards inflation rate

The indexation rate in year one for short-term disability, long-term disability, pensions and survivor awards is known when the valuation is made. This calculation of the indexation rate is specified under the *WC Act* and the calculation for the following calendar year is made before year-end. For the entirety of the projection for short-term disability and seven years of the projection for long-term disability awards, the inflation rate is assumed to be the same as is implied in the development factors derived from past payment history. For subsequent durations, the inflation rate was determined from an analysis of past experience over periods of 20 and 30 years. This analysis is performed annually to ensure the inflation assumption remains current. The latest analysis produced an annual inflation rate of 2.25%.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 4. ACTUARIAL ASSUMPTIONS AND METHODS CONTINUED

#### Medical payments inflation rate

For the entirety of the projection, the inflation rate is assumed to be the same as is implied in the development factors derived from past payment history. Previously, for duration 16 and over, the inflation rate was determined from a study of past payment experience resulting in an explicit inflation assumption of 3.0% above the inflation assumption used for CPI.

#### Other payments inflation rate

For the entirety of the projection, the inflation rate is assumed to be the same as is implied in the development factors derived from past payment history. Previously, for duration 16 and over, the inflation rate was determined from a study of past payment experience resulting in an explicit inflation assumption of 1.0% above the inflation assumption used for CPI.

#### Future administration

When a claim occurs, it triggers an obligation to provide claims management, maintenance and support in terms of paying the various providers of health care services and compensating workers for lost wages for as long as the claim is open. The future administration expense liability is intended to provide a reasonable allowance for this obligation.

A detailed review of future administration expenses is conducted periodically. In this review, an estimate is made of the portion of operating expenses that can be attributed to claims maintenance, including a proportionate share of overhead expenses. The latest review, conducted in 2023, concluded that an 8.50% allocation was reasonable. Therefore, a liability for future administration expenses of 8.50% of the total insurance contract liability is included in the liability estimate, and forms part of the fulfilment cash flows.

#### Occupational disease

Occupational diseases differ from occupational injuries in that there can be a considerable time lag between the exposure, the manifestation of the disease and the identification of the ensuing disability as a workers' compensation claim. Furthermore, while the circumstances of an injury usually make it clear whether it is work-related or not, the link between an occupational disease and the workplace may be difficult to establish.

A detailed review of long-latency occupational disease incidence and costs is conducted periodically. The review provides a range of potential incidence and cost, based on past experience. The study includes allowance for changes in industry make-up since the experience has developed and improvements have been made in the prevention of diseases known to be work-related. The latest review, conducted in 2021, concluded that an 8.0% allocation was reasonable. This provision is deemed to include an allowance for administration expenses on these claims. Therefore, a liability for occupational disease of 8.0% of the total insurance contract liability is included in the liability estimate, and forms part of the fulfilment cash flows.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 4. ACTUARIAL ASSUMPTIONS AND METHODS CONTINUED

#### Sensitivity analysis

##### i) Summary

Sensitivity analyses are conducted to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results are calculated using certain assumptions about these variables as disclosed above. The movement in any key variable will impact WorkSafeNB's financial performance and net assets.

Impact of movement in variable:

##### *Single-equivalent discount rate*

The insurance contract liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on claims costs.

##### *General inflation rate*

The CPI-indexed awards inflation rate, medical payments inflation rate, and other payments inflation rate are all directly affected by movements in the general inflation rate. Consequently, the benefits indexed to these rates are also affected. An increase or decrease in the general inflation rate would have a corresponding impact on claims costs.

##### *Medical inflation rate*

Medical expenses more than 15 years after the injury account for a major part of expected benefit payments at long durations. An increase or decrease in medical payment inflation relative to the assumption underlying the liability estimates would have a corresponding impact on claims costs.

The table below presents the sensitivity of the insurance contract liabilities to an immediate 1% increase or decrease in the assumed rates.

##### ii) Impact of changes in key variables:

+/-% change in assumed rates	2023		2022	
	+1.00%	-1.00%	+1.00%	-1.00%
Single-equivalent discount rate	\$ (112,184)	\$ 139,937	\$ (106,971)	\$ 132,758
Wage-loss inflation rate	43,520	(38,636)	42,297	(37,608)
Medical inflation rate	91,288	(69,826)	85,675	(65,837)

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 5. CLAIMS – RISK MANAGEMENT POLICIES AND PROCEDURES

WorkSafeNB's financial condition and operation is affected by a number of key risks, including claims, operational and financial risks. WorkSafeNB has established policies and procedures to manage these risks as set out below.

#### (a) Claims risk

WorkSafeNB has an objective to manage claims risk, thus reducing the volatility of assessment premiums and performance from operations. In addition to the inherent uncertainty of claims risk, which can lead to significant variability in the loss experience, performance from operations are significantly affected by market factors external to WorkSafeNB.

WorkSafeNB has developed, implemented and maintained a sound and prudent claims risk management strategy that encompasses all aspects of WorkSafeNB's operations.

The strategy sets out WorkSafeNB's policies and procedures, processes and controls in relation to the management of likely financial and non-financial claims risks.

Key aspects of the processes in place to mitigate claims risks include:

- Established processes for managing claims in accordance with the *WHSCC & WCAT Act* and the *WC Act*.
- A disciplined strategic planning and risk assessment process.
- A tracking system that requires the costing of any benefit changes from changes in policy, legislation and appeals decisions.
- Targeted programs for high-risk industries.
- The use of sophisticated management information systems that provide reliable and up-to-date data on the claims risks to which the business is exposed at any time.
- The use of detailed internal monitoring tools that link actuarial valuation projections with the management information systems to monitor claims patterns.
- Annual review of the insurance contract liabilities for financial statement purposes and benefits liabilities for funding purposes by an independent external actuary.

#### (b) Terms and conditions of the workers' compensation system

The terms and conditions of the workers' compensation system administered by WorkSafeNB are established under the *WHSCC & WCAT Act*. Coverage is for annual periods ending December 31 each year. The system's terms and conditions are similar for all assessed employers.

#### (c) Operational risk

Operational risk relates to the risk of loss arising from systems failure, human error or from other circumstances not related to claims or financial risks. These risks are managed through a framework that includes a system of delegated authorities, effective segregation of duties, access controls and review processes.



# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 5. CLAIMS – RISK MANAGEMENT POLICIES AND PROCEDURES CONTINUED

#### (d) Financial risk

WorkSafeNB is exposed to the following financial risks:

- Funding risk
- Market risk
- Foreign currency risk
- Credit risk
- Inflation risk
- Interest rate risk
- Liquidity risk

WorkSafeNB's exposure to these risks arises primarily in relation to its investment portfolio. Note 9 presents information about WorkSafeNB's exposure to each of the above risks, including objectives, policies and processes for measuring and managing the risk.

### 6. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents is \$23.7 million (2022 - \$26.1 million) restricted for business transformation initiatives.

### 7. RECEIVABLES AND OTHER

	<b>2023</b>	(Note 2) Restated 2022
Self-insured employers receivable	<b>\$ 4,580</b>	\$ 6,561
Other	<b>4,405</b>	1,315
	<b><u>\$ 8,985</u></b>	<u>\$ 7,876</u>

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 8. INVESTMENTS

The table below presents the fair value of WorkSafeNB's investments.

	<u>2023</u>	<u>2022</u>
	<u>Fair Value</u>	<u>Fair Value</u>
<i>j) Portfolio investments</i>		
Forward foreign exchange contracts	<b>\$ 32,079</b>	\$ (8,133)
Fixed income		
Conventional bonds	<b>321,507</b>	292,545
Equities		
Canadian	<b>305,752</b>	281,262
U.S.	<b>279,502</b>	258,115
Non-North American	<b>360,604</b>	349,665
Total equities	<b>945,858</b>	889,042
Inflation-sensitive		
Real estate	<b>274,190</b>	292,570
Infrastructure	<b>233,387</b>	190,322
Total inflation-sensitive	<b>507,577</b>	482,892
Absolute return		
Global opportunistic <sup>1</sup>	<b>192,776</b>	196,710
	<b>\$ 1,999,797</b>	\$ 1,853,056

<sup>1</sup> The Global Opportunistic allocation is invested in a pooled fund that has the ability to invest in a wide variety of asset classes and strategies depending on the manager's assessment of the attractiveness of the opportunity. As of December 31, 2023, the fund had the following allocations: North American equities 7% (2022 – 2%); Non-North American equities 26% (2022 – 23%); Fixed income 8% (2022 – 11%); Absolute return strategies 59% (2022 – 64%)

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 8. INVESTMENTS CONTINUED

#### *ii) Fair value hierarchy*

WorkSafeNB's investments have been classified into a three-level fair value hierarchy in accordance with IFRS 7 (Financial Instruments: Disclosures). The levels of the fair value hierarchy are defined as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 1 inputs are the most persuasive evidence of fair value and are used whenever possible.
- Level 2 inputs are market-based inputs that are directly or indirectly observable but not considered Level 1 quoted prices. Level 2 inputs consist of: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical assets or liabilities in non-active markets (markets which have few transactions and prices are not current or price quotations vary substantially); (iii) inputs other than quoted prices that are observable (interest rates, yield curves, volatilities, credit risks, and default rates); and (iv) inputs derived from, or corroborated by, observable market data.
- Level 3 inputs are unobservable inputs. These inputs reflect assumptions about market pricing using the best internal and external information available. The valuation approaches applied are the most suitable and appropriate for the type of investments.

In certain situations, inputs used to measure the fair value of asset positions fall into different levels of the fair value hierarchy. In these situations, the level in which the fair value falls is based upon the lowest level input that is significant to the determination of the fair value. As of December 31, 2023, the fair values of assets and liabilities measured on a recurring basis by level of input were as follows:

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(in thousands of dollars)

### 8. INVESTMENTS CONTINUED

	2023			
Portfolio investments:	Level 1	Level 2	Level 3	Fair Value
Forward foreign exchange contracts	\$ –	\$ 32,079	\$ –	\$ 32,079
Fixed income				
Conventional bonds	–	321,507	–	321,507
Equities				
Canadian	–	305,752	–	305,752
U.S.	–	279,502	–	279,502
Non-North American	–	360,604	–	360,604
Total equities	–	945,858	–	945,858
Inflation-sensitive				
Real estate	–	201,099	73,091	274,190
Infrastructure	–	–	233,387	233,387
Total inflation-sensitive	–	201,099	306,478	507,577
Absolute return				
Global opportunistic	–	192,776	–	192,776
	\$ –	\$ 1,693,319	\$ 306,478	\$ 1,999,797
	2022			
Portfolio investments:	Level 1	Level 2	Level 3	Fair Value
Forward foreign exchange contracts	\$ –	\$ (8,133)	\$ –	\$ (8,133)
Fixed income				
Conventional bonds	–	292,545	–	292,545
Equities				
Canadian	–	281,262	–	281,262
U.S.	–	258,115	–	258,115
Non-North American	–	349,665	–	349,665
Total equities	–	889,042	–	889,042
Inflation-sensitive				
Real estate	–	207,953	84,617	292,570
Infrastructure	–	–	190,322	190,322
Total inflation-sensitive	–	207,953	274,939	482,892
Absolute return				
Global opportunistic	–	196,710	–	196,710
	\$ –	\$ 1,578,117	\$ 274,939	\$ 1,853,056

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 8. INVESTMENTS CONTINUED

#### *iii) Summary of changes in level 3 fair value measurements:*

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	<b>\$ 274,939</b>	\$ 279,196
Purchases of level 3 investments	<b>63,145</b>	26,924
Sale of level 3 investments	<b>(18,267)</b>	(57,552)
Partnership distributions of operating income	<b>7,028</b>	5,391
Expenses	<b>(196)</b>	(12)
Realized gains	<b>6,092</b>	45,227
Change in unrealized gains recognized in investment income	<b>(26,263)</b>	(24,235)
	<hr/>	<hr/>
Balance, end of year	<b><u>\$ 306,478</u></b>	<b><u>\$ 274,939</u></b>

There are eight investments classified as level 3:

- (1) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$47.0 million (2022 – \$48.8 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 12-year life that began on October 30, 2013. The general partner has the option to extend the fund's life by two years.
- (2) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$119.9 million (2022 – \$111.2 million). This is an open-ended fund that allows quarterly redemptions at net asset value, but with some restrictions and is therefore classified as a level 3 investment in the fair value hierarchy.
- (3) A limited partnership interest in a fund investing in European real estate with a market value of \$14.5 million (2022 – \$22.9 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 9-year life that began on August 22, 2014. The general partner has the option to extend the fund's life with two one-year extensions. Subsequent to year end, the second one-year extension was obtained.
- (4) A limited partnership interest in a fund investing in European real estate with a market value of \$44.0 million (2022 – \$58.9 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 10-year life that began on March 29, 2018.

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### 8. INVESTMENTS CONTINUED

- (5) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$33.7 million (2022 - \$30.1 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 12-year life that began on May 10, 2019. The general partner has the option to extend the fund's life by two years.
- (6) A limited partnership interest in a fund investing in European real estate with a market value of \$2.5 million (2022 – negative \$1.2 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 10-year life that began on December 3, 2021.
- (7) A limited partnership interest in a fund investing in US real estate with a market value of \$12.1 million (2022 - \$4.0 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 8-year life that will begin on March 29, 2024. The general partner has the option to extend the fund's life by two years.
- (8) A limited partnership interest in a fund investing in global infrastructure assets with a market value of \$32.8 million (2022 - \$0.2 million). This is a closed-end fund with no active market for its units and no published net asset value as of December 31, 2023, and is therefore classified as a level 3 investment in the fair value hierarchy. This fund has a 12-year life that began on November 30, 2023. The general partner has the option to extend the fund's life with two one-year extensions.

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### 8. INVESTMENTS CONTINUED

#### iv) Investment income

	2023	2022
Interest and dividends	\$ 53,929	\$ 43,732
Realized investment losses on forward foreign exchange contracts	(27,000)	(36,029)
Realized investment gains on other portfolio investments	788	279,030
Change in unrealized investment gains on forward foreign exchange contracts	40,212	2,407
Change in unrealized investment gains on other portfolio investments	98,038	(358,469)
	<b>165,967</b>	(69,329)
Less: portfolio management expenses	(6,340)	(5,508)
	<b>\$ 159,627</b>	\$ (74,837)

The market rate of return on the investment portfolio for the year ended December 31, 2023 was 8.90% (2022 – (3.83%)).

#### v) Pooled funds

WorkSafeNB's portfolio is invested exclusively in pooled funds and private partnerships covering various asset classes and mandates. WorkSafeNB holds rights to a proportionate share of each fund's income and net assets, with no power to direct management of the respective fund.

#### vi) Investment agreement

WorkSafeNB has entered into an investment agreement for the combined administration and pooling of its investments and those of the Workers Compensation Board of Prince Edward Island and the *FC Act* Disability Fund. These consolidated financial statements report WorkSafeNB's proportional share of the investments held in the fund, except for the investment in WorkSafeNB Investments Limited, which is consolidated (see Note 3). WorkSafeNB's proportional share of the pooled fund was 88.4% at December 31, 2023 (2022 – 87.9%). In 2023, WorkSafeNB received a fee of \$101.7 thousand (2022 – \$58.7 thousand) for the administration of the Workers Compensation Board of Prince Edward Island's share of the fund, and a fee of \$36.5 thousand (2022 – \$28.4 thousand) for the administration of the *FC Act* Disability Fund's share of the fund.

#### vii) Commitments

Through its investment in WorkSafeNB Investments Limited, WorkSafeNB has entered into limited partnership agreements with externally managed infrastructure and real estate pooled funds that commit to contribute investments in these funds, which may be drawn down over the next year. Unfunded commitments as of December 31, 2023 are \$273.8 million (2022 – \$291.8 million).

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### 9. FINANCIAL RISK MANAGEMENT

WorkSafeNB has established policies to manage its investments. All of WorkSafeNB's investments are managed by independent external investment managers. The compliance of these managers with the investment policies is monitored regularly.

WorkSafeNB manages investment risk by diversifying its portfolio among asset classes, industry sectors, geographic locations and individual securities. Further diversification is achieved by selecting investment managers with varying investment philosophies and styles. From time to time, WorkSafeNB retains independent consultants to advise on the appropriateness and effectiveness of its investment policies and practices. This includes periodic asset liability studies to ensure that the investment strategy is suitable in light of the related going-concern benefits liabilities and WorkSafeNB's risk tolerance. The last such study was completed in 2019.

The following sections describe WorkSafeNB's financial risk exposures and related mitigation strategies.

#### ***i) Funding risk***

WorkSafeNB's funding level is based on accepted actuarial practices for going concern valuations, which reflects a discount rate based on the funding and investment policies set by the Board. WorkSafeNB's funding policy specifies a funding goal (ratio of assets to going-concern benefits liabilities) of between 115% and 125%. This permitted excess of assets over going-concern benefits liabilities reduces the impact of year-to-year fluctuations, therefore providing assessment rate stabilization and enhanced security that awarded benefits will be met. More information can be found in Note 24.

#### ***ii) Market risk***

WorkSafeNB invests in publicly traded equities listed on domestic and foreign exchanges, bonds traded over the counter through broker-dealers, Canadian and foreign commercial real estate and global infrastructure assets held via pooled funds. These securities are affected by fluctuations in market prices. Such fluctuations are subject to economic factors and other fluctuations in domestic and global capital markets, as well as risks specific to issuers, which may affect the market value of individual securities. Policy guidelines have been established to ensure that WorkSafeNB's investments are diversified by issuer, industry and geographic location.



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### 9. FINANCIAL RISK MANAGEMENT CONTINUED

The table below presents the estimated effect of a reasonably possible<sup>1</sup> adverse change in the key risk variable – the market benchmark – for each of the equity mandates in WorkSafeNB's investment portfolio.

	2023		2022	
	1 std dev	2 std dev	1 std dev	2 std dev
<b>Canadian Equities</b>				
% change in market benchmark <sup>2</sup>	(12.6%)	(25.3%)	(12.1%)	(24.1%)
Canadian portfolio – impact on surplus/deficit	\$ (36,741)	\$ (73,481)	\$ (33,339)	\$ (66,679)
<b>U.S. Equities</b>				
% change in market benchmark <sup>3</sup>	(12.3%)	(24.6%)	(12.5%)	(24.5%)
U.S. portfolio – impact on surplus/deficit	\$ (34,951)	\$ (69,901)	\$ (42,042)	\$ (84,084)
<b>International (EAFE) Equities</b>				
% change in market benchmark <sup>4</sup>	(12.0%)	(24.1%)	(11.8%)	(23.7%)
International portfolio – impact on surplus/deficit	\$ (38,375)	\$ (76,751)	\$ (37,461)	\$ (74,922)
<b>Emerging Markets Equities</b>				
% change in market benchmark <sup>5</sup>	(13.4%)	(26.7%)	(14.2%)	(28.3%)
Emerging markets portfolio – impact on surplus/deficit	\$ (13,103)	\$ (26,207)	\$ (13,588)	\$ (27,176)

<sup>1</sup> Reasonably possible changes are estimated using the historical (10-year) variability of each of the market benchmarks about their respective means. The standard deviation measures the normal variance in a probability distribution. One standard deviation covers 68% of all probable outcomes and two standard deviations covers 95%.

<sup>2</sup> S&P TSX (Standard & Poor's Toronto Stock Exchange) Capped Composite Index

<sup>3</sup> S&P (Standard & Poor's) 500 Index

<sup>4</sup> MSCI (Morgan Stanley Capital International) EAFE (Europe, Australasia and Far East) Total Return Index

<sup>5</sup> MSCI EM (Emerging Markets) Total Return Index

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### 9. FINANCIAL RISK MANAGEMENT CONTINUED

#### *iii) Foreign currency risk*

WorkSafeNB has certain investments denominated in foreign currencies. Currency risk is the risk that the value of these investments will fluctuate due to changes in foreign exchange rates. WorkSafeNB's most significant currency exposure is to the U.S. dollar, the euro, the Japanese yen and the British pound. At December 31, 2023, WorkSafeNB had U.S. dollar exposure of \$672.3 million (2022 – \$578.6 million), euro exposure of \$195.3 million (2022 – \$194.1 million), Japanese yen exposure of \$53.3 million (2022 – \$45.1 million) and British pound exposure of \$72.4 million (2022 – \$68.8 million).

For its U.S. and non-North American assets, WorkSafeNB has adopted a policy to dynamically hedge a portion of its developed market foreign currency exposure using forward foreign exchange contracts. The amount hedged varies, depending on the relative attractiveness of the foreign currency. Forward foreign exchange contracts are agreements to exchange an amount of one currency for another at a future date and at a set price, agreed upon at the contract's inception.

The fair value of these financial instruments will change in response to changes in the foreign exchange rates of the currencies involved in the contracts. The notional amounts in forward foreign exchange contracts are the contractual amounts on which payments are made. These notional amounts have been converted into Canadian dollars at the contractual exchange rates in effect at the inception of the contracts. Outstanding contracts from 2023 mature in the first 37 days of 2024.

At December 31, 2023, the notional value of outstanding forward foreign exchange contracts was \$881.6 million (2022 – \$703.0 million). The fair value of these contracts was \$32.1 million (2022 – (\$8.1) million). Unrealized gains on forward foreign exchange contracts were included in investment income.

The table below presents how the surplus/deficit would be affected by a reasonably possible annual change in the Canadian/US dollar, Canadian/euro, Canadian/Japanese yen and Canadian/British pound exchange rates. The impact on the surplus/deficit is shown net of the currency hedges in place at year-end:

	<u>2023</u>	<u>2022</u>
15% appreciation in the Canadian dollar	<u>Impact on surplus/deficit</u>	<u>Impact on surplus/deficit</u>
CAD/USD	\$ 6,168	\$ (5,072)
CAD/EURO	(8,348)	(8,652)
CAD/YEN	(6,954)	(5,883)
CAD/POUND	(6,483)	(8,053)

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### 9. FINANCIAL RISK MANAGEMENT CONTINUED

#### *iv) Credit risk*

Credit risk on fixed-term or money market investments or forward foreign exchange contracts arises from the possibility that the counter party to an instrument fails to meet its obligation to WorkSafeNB. The maximum exposure to credit risk is determined by the fair value of these financial instruments. WorkSafeNB invests in money market instruments that consist primarily of short-term debt and money market securities issued or guaranteed by the federal or provincial governments of Canada and Canadian corporations. Counter parties to forward foreign exchange contracts must have a credit rating of at least AA-.

WorkSafeNB has indirect credit risk to the underlying investments held by fixed-term pooled funds. The table below summarizes the fixed-term investments by credit rating.

Credit Rating*	2023		2022	
	Fair Value	% of Total Fixed-Term Investments	Fair Value	% of Total Fixed-Term Investments
AAA	\$ 77,905	24.23	\$ 86,825	28.94
AA	52,030	16.18	87,264	29.09
A	66,168	20.58	53,473	17.82
BBB	49,700	15.46	39,205	13.07
<BBB	75,704	23.55	33,249	11.08
Total	<u>\$ 321,507</u>	<u>100.00</u>	<u>\$ 300,016</u>	<u>100.00</u>

\* Credit ratings are obtained from Standard & Poor's, Moody's or DBRS ratings

#### *v) Inflation risk*

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power for current monetary assets.

To mitigate the effect of inflation on WorkSafeNB's future liabilities, the portfolio holds inflation-sensitive investments, such as real estate and infrastructure.

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### 9. FINANCIAL RISK MANAGEMENT CONTINUED

#### *vi) Interest rate risk*

Future changes in the prevailing level of interest rates will affect the fair value of the fixed-term investments.

The table below presents the remaining term to maturity of WorkSafeNB's portion of the outstanding fixed-term investments, all of which are held in pooled funds.

	Remaining Term to Maturity			Total 2023	Total 2022
	Within 1 Year	Over 1 Year to 5 Years	Over 5 Years		
Fixed-term investments	\$ 18,456	\$ 96,530	\$ 206,521	\$ 321,507	\$ 300,016

The average effective yield of the conventional bonds is 5.37% (2022 – 4.85%) per annum, based on market value.

As of December 31, 2023, had the prevailing interest rate changed by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, the value of the conventional bonds would have increased or decreased by \$20.2 million (2022 – \$20.2 million), approximately 6.29% (2022 – 6.72%) of their fair value.

The sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolios.

#### *vii) Liquidity risk*

Liquidity risk is the risk that WorkSafeNB will have difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash.

Through a proactive cash management process that entails continuous forecasting of expected cash flows, WorkSafeNB mitigates liquidity risk by minimizing the need for forced liquidations of portfolio assets. WorkSafeNB investment policy maintains a 2% allocation to cash to help ensure adequate liquidity. To cover unanticipated cash requirements when market conditions are unfavourable, WorkSafeNB has negotiated a standby line of credit of up to \$10 million, which has not been drawn down as at December 31, 2023.

The following table summarizes the maturity profiles of WorkSafeNB's financial liabilities carried at amortized cost:

As at December 31, 2023	Within 1 year	1-5 years	Over 5 years
Payables and accruals	\$ 7,868	–	–
Self-insured pension annuity liabilities	\$ 2,160	6,336	9,043

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### 10. CAPITAL ASSETS

	Land and buildings	Computer software and hardware	Furniture and equipment including leasehold improvements	Motor vehicles	2023 Total	2022 Total
<b>Cost</b>						
Balance at January 1	\$ 11,933	\$ 18,469	\$ 7,782	\$ 765	<b>\$ 38,949</b>	\$ 39,358
Additions	162	285	15	695	<b>1,157</b>	1,004
Disposals	(8,469)	(1,678)	(5,252)	(226)	<b>(15,625)</b>	(1,413)
Balance at December 31	<u>\$ 3,626</u>	<u>\$ 17,076</u>	<u>\$ 2,545</u>	<u>\$ 1,234</u>	<u><b>\$ 24,481</b></u>	<u>\$ 38,949</u>
<b>Accumulated Depreciation</b>						
Balance at January 1	\$ (6,544)	\$ (17,562)	\$ (7,583)	\$ (341)	<b>\$ (32,030)</b>	\$ (31,794)
Depreciation	(482)	(646)	(98)	(81)	<b>(1,307)</b>	(1,639)
Disposals	4,971	1,678	5,252	148	<b>12,049</b>	1,403
Balance at December 31	<u>\$ (2,055)</u>	<u>\$ (16,530)</u>	<u>\$ (2,429)</u>	<u>\$ (274)</u>	<u><b>\$ (21,288)</b></u>	<u>\$ (32,030)</u>
<b>Carrying amounts</b>						
At January 1	\$ 5,389	\$ 907	\$ 199	\$ 424	<b>\$ 6,919</b>	\$ 7,564
At December 31	<u>\$ 1,571</u>	<u>\$ 546</u>	<u>\$ 116</u>	<u>\$ 960</u>	<u><b>\$ 3,193</b></u>	<u>\$ 6,919</u>

Land and Buildings include the following amounts where WorkSafeNB is a lessee:

#### *Finance leased assets*

	2023	2022
Cost – capitalized finance leases	<b>\$ 2,459</b>	\$ 2,416
Accumulated Depreciation	<b>(2,430)</b>	(2,302)
Net book value	<u><b>\$ 29</b></u>	<u>\$ 114</u>

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### 11. PAYABLES AND ACCRUALS

	<u>2023</u>	(Note 2) Restated <u>2022</u>
Accounts payable and accruals	<b>\$ 5,361</b>	\$ 5,078
Post-employment benefits	<b>2,507</b>	1,437
	<b><u>\$ 7,868</u></b>	<b><u>\$ 6,515</u></b>

Accounts payable and accruals include lease liabilities relating to the lease of office space:

<i>Lease Liabilities</i>	<u>2023</u>	<u>2022</u>
Current	<b>\$ 31</b>	\$ 91
Non-current	<b>–</b>	32
	<b><u>\$ 31</u></b>	<b><u>\$ 123</u></b>

### 12. SELF-INSURED PENSION ANNUITY LIABILITIES

The reconciliation of the self-insured pension annuity liabilities is set forth below:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	<b>\$ 16,429</b>	\$ 16,512
Contributions	<b>1,460</b>	1,533
Investment income (loss) earned on contributions	<b>1,420</b>	(496)
Benefits paid	<b>(1,770)</b>	(1,120)
Balance, end of year	<b><u>\$ 17,539</u></b>	<b><u>\$ 16,429</u></b>

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### 13. INSURANCE CONTRACT LIABILITIES

#### *i) Continuity schedule*

The roll-forward of the insurance contract (assets) liabilities showing the liabilities for remaining coverage and the liabilities for incurred claims is disclosed in the table below:

	2023			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component	Estimate of the PV of future cash flows	
<b>Insurance contract (assets) liabilities, January 1</b>	\$ (8,009)	\$ –	\$ 1,361,256	<b>\$1,353,247</b>
<b>Insurance revenue</b>	(166,870)	–	–	<b>(166,870)</b>
Insurance service expenses				
Incurred claims and other expenses	–	8,771	157,193	<b>165,964</b>
Loss on onerous contracts and reversals of those losses	–	(8,771)	–	<b>(8,771)</b>
Changes to liabilities for incurred claims	–	–	(75,458)	<b>(75,458)</b>
<b>Insurance service result</b>	(166,870)	–	81,735	<b>(85,135)</b>
<b>Insurance finance (income) expenses</b>	(567)	–	114,464	<b>113,897</b>
<b>Total changes in income</b>	(167,437)	–	196,199	<b>28,762</b>
Cash flows:				
Premiums received	170,121	–	–	<b>170,121</b>
Claims and other expenses paid	–	–	(181,481)	<b>(181,481)</b>
<b>Total cash flows</b>	170,121	–	(181,481)	<b>(11,360)</b>
<b>Insurance contract (assets) liabilities, December 31</b>	\$ (5,325)	\$ –	\$ 1,375,974	<b>\$1,370,649</b>

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### 13. INSURANCE CONTRACT LIABILITIES CONTINUED

	2022			Total
	Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimate of the PV of future cash flows	
Insurance contract (assets) liabilities, January 1	\$ (10,433)	\$ –	\$ 1,673,650	\$ 1,663,217
Opening adjustment for losses on onerous contracts	–	32,665	–	32,665
Net insurance contract (assets) liabilities, January 1	\$ (10,433)	\$ 32,665	\$ 1,673,650	\$ 1,695,882
Insurance revenue	(194,893)	–	–	(194,893)
Insurance service expenses				
Incurred claims and other expenses	–	–	155,284	155,284
Loss on onerous contracts and reversals of those losses	–	(32,665)	–	(32,665)
Changes to liabilities for incurred claims	–	–	(96,504)	(96,504)
Insurance service result	(194,893)	(32,665)	58,780	(168,778)
Insurance finance expenses	(882)	–	(191,477)	(192,359)
Total changes in income	(195,775)	(32,665)	(132,697)	(361,137)
Cash flows:				
Premiums received	198,199	–	–	198,199
Claims and other expenses paid	–	–	(179,697)	(179,697)
Total cash flows	198,199	–	(179,697)	18,502
Insurance contract (assets) liabilities, December 31	\$ (8,009)	\$ –	\$ 1,361,256	\$ 1,353,247



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### 13. INSURANCE CONTRACT LIABILITIES CONTINUED

#### *ii) Liabilities for incurred claims*

Liabilities for incurred claims by benefit type are comprised of the following:

	<u>2023</u>	<u>2022</u>
Short-term disability and rehabilitation	\$ 106,893	\$ 130,741
Long-term disability	446,528	429,303
Health care	488,004	480,689
Survivor benefits	56,469	55,162
Long latency occupational diseases	87,831	87,672
Claim administration costs	93,321	82,192
<b>Liabilities for incurred claims</b>	<b>1,279,046</b>	<b>1,265,759</b>
Receivables and payables reclassified to liabilities for incurred claims	10,048	11,508
Pension annuity	86,880	83,989
<b>Total liabilities for incurred claims</b>	<b>\$ 1,375,974</b>	<b>\$ 1,361,256</b>

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### 13. INSURANCE CONTRACT LIABILITIES CONTINUED

#### iii) Claims development table

The following table presents the development of outstanding claims relative to the ultimate expected claims for the 10 most recent accident years. The table illustrates how the estimate of ultimate claims costs for each accident year has changed with more experience over succeeding year-ends, and compares the current estimate of cumulative claims cost to the actual cumulative payments over the development period. Due to the long duration of many benefit types, significant amounts will be paid beyond the valuation date. The lower section of the table reconciles the total outstanding claims amounts to the discounted amount reported in the statement of financial position.

Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Estimate of ultimate claims cost:											
At end of accident year	\$ 176,981	\$ 154,942	\$ 228,649	\$ 245,058	\$ 324,503	\$ 257,214	\$ 211,188	\$ 197,876	\$ 187,271	\$ 153,833	
One year later	158,080	198,546	257,285	280,307	297,973	221,839	184,966	178,295	142,828		
Two years later	194,098	211,205	269,391	266,840	253,267	197,744	166,280	142,133			
Three years later	197,804	219,184	270,383	236,980	238,780	190,432	137,243				
Four years later	206,844	217,052	244,314	221,496	231,875	175,342					
Five years later	202,735	199,367	226,122	212,551	228,678						
Six years later	191,816	186,977	219,555	205,295							
Seven years later	177,706	178,280	211,950								
Eight years later	174,068	166,060									
Nine years later	163,599										
Current estimate of cumulative claims cost	163,599	166,060	211,950	205,296	228,678	175,342	137,243	142,133	142,828	153,833	<b>1,726,962</b>
Cumulative payments	(86,706)	(87,471)	(102,817)	(89,492)	(92,578)	(65,199)	(45,838)	(40,216)	(34,358)	(19,534)	<b>(664,209)</b>
Outstanding claims, Undiscounted	76,893	78,589	109,133	115,804	136,100	110,143	91,405	101,917	108,470	134,299	<b>1,062,753</b>
2013 and prior years											<b>1,046,748</b>
Total outstanding Claims, undiscounted											<b>2,109,501</b>
Effect of discounting											<b>(1,059,022)</b>
Claims administration											<b>93,321</b>
Occupational diseases											<b>87,831</b>
Other contingent liabilities*											<b>47,415</b>
<b>Total liabilities for incurred claims</b>											<b>1,279,046</b>
Pension annuities											<b>86,880</b>
Receivables and payables reclassified											<b>10,048</b>
<b>Total insurance contract liabilities</b>											<b>\$ 1,375,974</b>

\*Consists primarily of liabilities for future annuity awards.

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### 14. INSURANCE SERVICE EXPENSES

	<u>2023</u>	<u>2022</u>
Claims costs incurred		
Short-term disability and rehabilitation	<b>\$ 40,954</b>	\$ 39,918
Long-term disability	<b>34,235</b>	32,336
Survivor benefits	<b>2,870</b>	2,493
Health care	<b>31,444</b>	35,185
Liability for remaining coverage		
Incurred claims impact on loss component	<b>8,771</b>	–
<b>Total incurred claims</b>	<b><u>118,274</u></b>	<u>109,932</u>
Administration expenses (Note 16)	<b>41,381</b>	38,755
Legislative obligations and other expenses	<b>6,309</b>	6,597
<b>Other insurance services expenses</b>	<b><u>47,690</u></b>	<u>45,352</u>
<b>Total incurred claims and other insurance service expenses</b>	<b><u>165,964</u></b>	<u>155,284</u>
Losses on onerous contracts and reversals of those losses	<b>(8,771)</b>	(32,665)
Changes in liabilities for incurred claims	<b>(79,867)</b>	(101,305)
Pension annuity contributions	<b>4,409</b>	4,801
<b>Total insurance service expenses</b>	<b><u>\$ 81,735</u></b>	<u>\$ 26,115</u>

### 15. INSURANCE FINANCE EXPENSES (INCOME)

	<u>2023</u>	<u>2022</u>
Interest accreted to insurance contracts using current financial assumptions	<b>\$ 62,873</b>	\$ 52,330
Changes in single-equivalent discount rate and other financial assumptions	<b>44,174</b>	(240,920)
Interest on pension annuity liabilities	<b>7,417</b>	(2,887)
Interest and penalties on assessments and uncollectibles	<b>(567)</b>	(881)
<b>Insurance finance expenses (income)</b>	<b><u>\$ 113,897</u></b>	<u>\$ (192,358)</u>

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 16. ADMINISTRATION EXPENSES

	<u>2023</u>	<u>2022</u>
Salaries and employee benefits	<b>\$ 48,933</b>	\$ 43,524
Depreciation	<b>1,296</b>	1,630
Professional fees	<b>4,666</b>	5,024
Office and communications	<b>1,346</b>	1,471
Building operations	<b>3,515</b>	3,684
Travel and vehicle operations	<b>945</b>	857
Education and training	<b>943</b>	372
Business Transformation	<b>6,659</b>	3,257
Other	<b>1,536</b>	982
	<b>69,839</b>	60,801
Allocated to health-care claims costs	<b>(486)</b>	(935)
	<b>69,353</b>	59,866
Total administration expenses	<b>\$ 69,353</b>	\$ 59,866
Total administration expenses allocated to:		
Insurance service expenses (Note 14)	<b>41,381</b>	38,755
Administration and other expenses (Note 18)	<b>27,972</b>	21,111
	<b>\$ 69,353</b>	\$ 59,866

A portion of WorkSafeNB's administration costs represents charges incurred by WorkSafeNB for its rehabilitation centre. This portion, which relates to claims, has been allocated to health care.

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### 17. LEGISLATIVE OBLIGATIONS

Although WorkSafeNB does not have input into the budgeting process for the workers' and employers' advocates, it is required by legislation to reimburse the provincial government for their operating costs.

In addition, WorkSafeNB provided financial assistance to certain New Brunswick safety associations in accordance with the *WC Act*. The money paid was levied against all employers in the industries represented by the safety associations and is included as part of assessment revenue.

	<b>2023</b>	2022
Workers' advocates	<b>\$ 684</b>	\$ 1,323
Employers' advocates	<b>314</b>	179
Workers' Compensation Appeals Tribunal	<b>1,341</b>	1,607
	<b>2,339</b>	3,109
New Brunswick Construction Safety Association	<b>450</b>	450
New Brunswick Forest Safety Association	<b>190</b>	190
Other	<b>275</b>	250
	<b>915</b>	890
Total legislative obligations	<b>\$ 3,254</b>	\$ 3,999
Total legislative obligations allocated to:		
Insurance service expenses	<b>2,786</b>	3,377
Administration and other expenses (Note 18)	<b>468</b>	622
	<b>\$ 3,254</b>	\$ 3,999

# CONSOLIDATED FINANCIAL STATEMENTS

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### 18. ADMINISTRATION AND OTHER EXPENSES (INCOME)

	<u>2023</u>	<u>2022</u>
Allocated from administration expenses (Note 16)	<b>\$ 27,972</b>	\$ 21,111
Allocated from legislative obligations (Note 17)	<b>468</b>	622
Self-insured pension annuity expense	<b>1,420</b>	(496)
Administration fee revenue (Note 19)	<b>(15,028)</b>	(12,610)
	<b>\$ 14,832</b>	\$ 8,627

### 19. SELF-INSURED EMPLOYERS

Self-insured employers – predominantly federal and certain provincial government institutions bear the direct cost of their incurred claims. WorkSafeNB administers these claims and charges self-insured employers a share of administration costs which is included in administration and other expenses (income) on the Consolidated Statement of Operations.

The claims liabilities related to self-insured employers have not been included in WorkSafeNB's liabilities account. As these liabilities will be borne by those employers when paid in future years, they do not impact WorkSafeNB's net assets.

During the year the following administration fee revenue and claims cost reimbursements were levied:

	<u>2023</u>	<u>2022</u>
Administration fee revenue	<b>\$ 15,028</b>	\$ 12,610
Claims cost reimbursement		
Short-term disability	<b>\$ 25,815</b>	\$ 24,127
Long-term disability	<b>13,873</b>	12,079
Survivor benefits	<b>718</b>	683
Health care	<b>16,684</b>	14,269
	<b>\$ 57,090</b>	\$ 51,158

# CONSOLIDATED FINANCIAL STATEMENTS

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### 20. RELATED PARTY TRANSACTIONS

#### **Government entities**

These consolidated financial statements include the results of normal operating transactions with various provincial government-controlled departments, agencies, and Crown corporations, with which WorkSafeNB may be considered related. Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

#### **Key management compensation**

Key management personnel of WorkSafeNB are deemed related parties. They include members of the board of directors and the executive committee. Total compensation for key management is detailed in the following table:

	<b>2023</b>	2022
<b>Executive Committee</b>		
Salaries and other short-term employee benefits	<b>\$ 1,624</b>	\$ 1,631
Post-employment benefits	<b>182</b>	167
	<b><u>\$ 1,806</u></b>	<u>\$ 1,798</u>
<b>Board of Directors</b>		
Salary and per diems	<b>\$ 145</b>	\$ 121

### 21. EMPLOYEE PENSION PLAN

WorkSafeNB and its employees participate in a multi-employer shared-risk pension plan, administered by the Province of New Brunswick under the *Public Service Superannuation Act*. The plan provides pensions to employees of the provincial government and certain Crown corporations and agencies based on:

- For service to December 31, 2013 – length of service and highest successive five-year average salary;
- For service from January 1, 2014 – length of service and career average salary.

Since sufficient information is not readily available to account for WorkSafeNB's participation in the plan using defined benefit pension plan accounting, these consolidated financial statements have been prepared using accounting rules for defined contribution pension plans.

The current year expense for this pension plan is \$4.9 million (2022 – \$4.5 million).

### 22. CONTINGENT LIABILITIES

At any given time, WorkSafeNB is party to various claims and lawsuits related to the normal course of business. In the opinion of management, the outcome of such claims and lawsuits and the resulting effects on operations and financial position are not determinable.

# CONSOLIDATED FINANCIAL STATEMENTS

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### 23. SUBSEQUENT EVENTS

Effective July 1, 2024, the provincial government introduced legislation to amend the Act. The key changes from this legislation is that on July 1, 2024, the Income Replacement Rate (“IRR”) for STD and LTD wage loss recipients will increase from 85% to 90% of net earnings. Additionally, the Maximum Assessable Earnings (MAE) will increase from 1.5 times NB Industrial Aggregate Earnings (“NBIAE”) to 1.6 times NBIAE. These amendments are estimated to result in an adjustment to the insurance contract liabilities of \$46.5 million.

### 24. FUNDING AND CAPITAL MANAGEMENT

WorkSafeNB’s funding level is based on accepted actuarial practices for going-concern valuations, which reflects a discount rate based on the funding and investment policies set by the Board. Under a going-concern valuation, claim liabilities are valued based on the primary assumption that the system will be in operation for the long-term. Therefore, the focus is on long-term trends as opposed to short-term fluctuations around those trends as reflected in the discount rate used in the measurement of insurance contract liabilities for financial statement presentation.

The discount rate used under a going-concern valuation reflects the best estimate of the long-term average rate of return that can be expected using the target asset allocation adopted by the board in its statement of investment goals and objectives. An estimate of a real rate of return, based on the analysis of multiple possible scenarios, is then compounded with the long-term average future inflation estimate to obtain the going-concern discount rate. This results in a going-concern discount rate assumption of 6.08% as at December 31, 2023, unchanged from the previous valuation.

WorkSafeNB’s funding policy specifies a long-term funding goal (ratio of assets to going-concern benefits liabilities) of between 115% and 125%. This permitted excess of assets over going-concern benefits liabilities reduces the impact of year-to-year fluctuations, therefore providing assessment rate stabilization and enhanced security that awarded benefits will be met. In accordance with the funding policy, the assessment revenue raised in any year from assessed employers may include or be reduced by an amount designed to allow WorkSafeNB to attain its funding goal. When the funding level falls below 115% a surcharge is levied upon employers to return to the 115% funding level. The surcharge is the difference between the cumulative going-concern financial results and the 115% funding level, amortized over a period of not greater than 10 years. In periods where the funding level exceeds 125%, a credit will be issued to employers. The credit is the difference between the cumulative going-concern financial results and the 125% funding level, amortized over a period not greater than 10 years.

Under the WC Act, a minimum funding level of 100% is required, with any shortfall to be recovered within a reasonable and prudent period not greater than 15 years.

WorkSafeNB’s funding level at December 31, 2023 is 156.1% (2022 – 147.7%).



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 24. FUNDING AND CAPITAL MANAGEMENT CONTINUED

The table below reconciles the financial statement liabilities as at December 31, 2023 to WorkSafeNB's going-concern liabilities, which are used for funding purposes.

<b>As at December 31, 2023</b>	<b>Financial statement basis</b>	<b>Presentation<sup>1</sup></b>	<b>Measurement<sup>2</sup></b>	<b>Going-concern basis</b>
Total assets	\$ 2,078,281	\$ 9,919	\$ –	\$ 2,088,200
Total liabilities	1,396,056	9,919	(91,174)	1,314,801
Net assets attributable to				
WorkSafeNB	646,620	–	91,174	737,794
Non-controlling interests	35,605	–	–	35,605
<b>Funding level</b>	<b>N/A</b>			<b>156.1%</b>

1 Due to the reclassification of insurance related receivables and payables to Insurance contract liabilities

2 Due to the marked-to-market discount rate methodology prescribed for financial statement insurance contract liabilities compared to the long-term approach used for going-concern liabilities. Also reflected are the legislative changes subsequent to the reporting date that are reflected in the funding basis, but not the IFRS 17 basis as described in more detail in note 23.

### 25. COMPARATIVE FIGURES

Certain comparative figures and disclosures have been reclassified to conform to the financial statement presentation adopted in the current year.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 26. TRANSITION TO IFRS 17

The effects of the transition from IFRS 4 to IFRS 17 are provided below.

	December 31 2022 IFRS 4	Reclassification	Remeasurement	December 31 2022 IFRS 17
<b>ASSETS</b>				
Cash and cash equivalents	\$ 69,534	\$ –	\$ –	\$ 69,534
Receivables and other	19,132	(11,256)	–	7,876
Investments	1,853,056	–	–	1,853,056
Capital assets	6,919	–	–	6,919
Total assets	<u>\$ 1,948,641</u>	<u>\$ (11,256)</u>	<u>\$ –</u>	<u>\$ 1,937,385</u>
<b>LIABILITIES</b>				
Payables and accruals	\$ 21,269	\$ (14,754)	\$ –	\$ 6,515
Self-insured pension annuity liabilities	16,429	–	–	16,429
Insurance contract liabilities	1,259,042	3,498	90,707	1,353,247
Total liabilities	<u>1,296,740</u>	<u>(11,256)</u>	<u>90,707</u>	<u>1,376,191</u>
<b>NET ASSETS</b>				
WorkSafeNB net assets	618,128	–	(90,707)	527,421
Non-controlling interests	33,773	–	–	33,773
Total net assets	<u>651,901</u>	<u>–</u>	<u>(90,707)</u>	<u>561,194</u>
Total liabilities and net assets	<u>\$ 1,948,641</u>	<u>\$ (11,256)</u>	<u>\$ –</u>	<u>\$ 1,937,385</u>

	December 31 2021 IFRS 4	Reclassification	Remeasurement	January 1 2022 IFRS 17
<b>ASSETS</b>				
Cash and cash equivalents	\$ 70,191	\$ –	\$ –	\$ 70,191
Receivables and other	21,083	(13,621)	–	7,462
Investments	1,925,352	–	–	1,925,352
Capital assets	7,564	–	–	7,564
Total assets	<u>\$ 2,024,190</u>	<u>\$ (13,621)</u>	<u>\$ –</u>	<u>\$ 2,010,569</u>
<b>LIABILITIES</b>				
Payables and accruals	\$ 25,726	\$ (14,684)	\$ –	\$ 11,042
Self-insured pension annuity liabilities	16,512	–	–	16,512
Insurance contract liabilities	1,305,658	1,063	389,161	1,695,882
Total liabilities	<u>1,347,896</u>	<u>(13,621)</u>	<u>389,161</u>	<u>1,723,436</u>
<b>NET ASSETS</b>				
WorkSafeNB net assets	639,859	–	(389,161)	250,698
Non-controlling interests	36,435	–	–	36,435
Total net assets	<u>676,294</u>	<u>–</u>	<u>(389,161)</u>	<u>287,133</u>
Total liabilities and net assets	<u>\$ 2,024,190</u>	<u>\$ (13,621)</u>	<u>\$ –</u>	<u>\$ 2,010,569</u>

